

5/17/78

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Letter	Pres. Carter to P.M. Callaghan, w/attachments 8 pp., re:Correspondence w/Foriegn Head of State	5/16/78	A
Memo	Curtis Cutter to Pres. Carter, w/attachments 10 pp., re:EXDIS from Ambassador in Santo Domingo	5/17/78	A
Memo	Brzezinski to Pres. Carter, w/attachments 7 pp., re:UN Disarmament session	5/16/78	A
Memo	Lipshutz to Pres. Carter, w/attachments 5 pp., re:Recommendations	5/16/78	C

FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential
Handwriting File [5/17/78] Box 86

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THE PRESIDENT'S SCHEDULE

Wednesday - May 17, 1978

8:15 Dr. Zbigniew Brzezinski - Oval Office and
the Situation Room.

9:00 Mr. Frank Moore - The Oval Office.

10:00 Mr. Jody Powell - The Oval Office.

10:30 Arrival Ceremony for His Excellency
Dr. Kenneth D. Kaunda, President of
the Republic of Zambia.

11:00 Meeting with Dr. Kenneth D. Kaunda.
(60 min.) (Dr. Zbigniew Brzezinski) - The Oval Office
and the Cabinet Room.

IN BOX - study box

2:00 Meeting with Governors/Water Policy. :
(30 min.) (Mr. Jack Watson) - The Cabinet Room. :

2:50 Texas Attorney General John Hill.
(10 min.) (Mr. Tim Kraft) - The Oval Office.

7:30 Dinner (Business Suit) Honoring Dr. Kenneth
D. Kaunda - The State Dining Room.

THE WHITE HOUSE
WASHINGTON

May 17, 1978

Frank Moore

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling. Please forward the attached copy to Ed. Roybal.

Rick Hutcheson

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

Roybal cc via FM

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
✓	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

DEPARTMENT OF STATE

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

May 15, 1978

cc Ed Roybal
JC

THE ADMINISTRATOR

RL

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Hispanic Employees of A.I.D.

I am pleased to respond to your request of May 11 for a brief assessment of the number and status of Hispanic American employees at A.I.D. and our plans for improving this employment profile.

Out of A.I.D.'s full-time, U.S. employee workforce of 3,657, there are 60 Hispanic Americans. Executive level appointments include the Assistant Administrator for Latin America; the A.I.D. Mission Directors in Paraguay and El Salvador; the Deputy Mission Directors in Panama, Peru and Guatemala; and the A.I.D. Affairs Officer in Chile. < 2 %

As you know, over the past fifteen months the Agency has been engaged in a reorganization effort which has involved both a hiring freeze and a reduction in the Washington-based staff. Fortunately, we were able to ensure that the number of Hispanic American employees was not reduced. Now that the Agency has again begun to hire for both Washington and overseas positions, we shall be giving priority attention to the employment of Hispanic Americans.

To oversee the employment and career development of Hispanic Americans we have appointed a full-time Hispanic Coordinator in the Office of Equal Opportunity Programs. New recruitment efforts for Hispanic Americans will include a Cooperative Education Intern Program with colleges throughout the country. Through this program we hope to recruit substantial numbers of Hispanic employees from traditionally Hispanic areas in our country.

The recruitment of Hispanic Americans is a matter of high priority to me, and we shall bend every effort toward this end within the constraints of Civil Service and Foreign Service guidelines.


John J. Gilligan

THE WHITE HOUSE

WASHINGTON

May 17, 1978

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ADMINISTRATIVELY CONFIDENTIAL --- NOT FOR CIRCULATION

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT

Stu

SUBJECT: Conversation with Ambassador Arthur Goldberg

Ambassador Arthur Goldberg was on the list which Hamilton gave me to call about post-arm sale assurances to the Jewish community.

During the course of the conversation, he raised a point which he asked me to relay to you.

He stated that the Soviets will convict Orlov shortly and will then move on to try Ginsburg and Shcharanskiy. He indicated that his study of the Soviet judicial system indicates that the Soviets will wait for a brief period of time between Orlov's conviction and his sentencing to see what the United States' reaction will be and to see how far they can push us. The nature of the Administration's reaction will be critical to them not only in terms of his sentence but in terms of how they proceed with Ginsburg and Shcharanskiy. The Ambassador indicated that he felt the Administration's credibility would be on the line in terms of its human rights posture. He stated that we needed to go far beyond simply a statement of concern or opposition. He stressed that the Soviets were directly violating the Helsinki Agreement and thumbing their noses at the United States. He stated that the Soviets must be warned in no uncertain terms they were approaching the stage where "all bilateral relations" would be adversely impacted by their continued trials in this area.

He also suggested that you make a simple statement of fact, if Orlov is convicted, namely that Congress could not be expected to ratify any SALT Agreement if the Soviets continued such human rights violations. He also stated that you make a similar statement regarding their activities, through the Cubans, in Africa. In this way, he said, you will not be breaking off SALT talks but will give them a "fact of life."

I might add the personal note that I think he is correct and that such a statement would have a dramatic, positive domestic political impact.

I also understand that there is to be a Concurrent Resolution voted upon this evening which condemns the imprisonment of the members of the Helsinki Accord and urges the leadership of the Executive Branch to express in the strongest terms the opposition of the United States to this harrassment. Therefore, it may be adviseable for you to make your views known on this subject in advance of final action in the Orlov case. Jody should also be prepared to respond tomorrow to the Concurrent Resolution and the concerns expressed therein.

cc: Zbigniew Brzezinski
Hamilton Jordan

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

May 17, 1978

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CLS*

Subject: Meat Prices

Between November 1977 and late March of this year, live cattle prices rose 30 percent (from \$40 to \$52 per cwt. -- the June 1978 futures contract). Throughout most of April, prices stabilized, and we had hoped for some relief -- after a month or so -- at the grocery store. Moreover, at \$52, prices were well above the Department of Agriculture's estimate of the average "break-even" point for cattle production -- i.e., the price was high enough to induce the needed long-run increase in cattle herds. We had been looking for a continuation of the April stability in cattle prices. In late April, however, cattle prices started to rise again, and have continued to move up sharply ever since. Yesterday's price hit \$58.65 -- an additional 13 percent increase since the end of April.

We are reassessing our food price forecast, and what options we have to moderate the increase.

WASHINGTON

DATE: 18 MAY 78

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

HAMILTON JORDAN

JODY POWELL

JACK WATSON

ANNE WEXLER

SUBJECT: SCHULTZE MEMO RE MEAT PRICES

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: +

+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

9:45 p.m.

THE WHITE HOUSE

WASHINGTON

VISIT TO

WEST VIRGINIA STATE SOCIETY DINNER
WEDNESDAY - MAY 17, 1978

Bolling Air Force Base

From: Fran Voorde

C
/

SEQUENCE:

9:45 p.m.
(Or immediately
following Kaunda
Dinner)

After bidding goodbye to President
Kaunda at the North Portico, you and
Secretary Vance proceed through the
Diplomatic Room to the South Grounds
to board motorcade.

9:50 p.m.

Motorcade departs South Grounds en route
Bolling AFB.

(Driving Time: 10 minutes)

10:00 p.m.

Motorcade arrives Bolling AFB.

PRESS POOL COVERAGE
CLOSED ARRIVAL

You proceed to Officer's Club offstage
announcement area and pause.

10:03 p.m.

Announcement.

10:04 p.m.

You proceed inside Capitol Ballroom
to podium.

PRESS POOL COVERAGE
ATTENDANCE: 500

PRESIDENTIAL REMARKS.

10:15 p.m.

Your remarks conclude. You may wish to
ask Secretary Vance to extend his
greetings.

NOTE: Following your remarks, Master
of Ceremonies Howard Hardisty will present
Senator Byrd with a gold watch.

2.

You thank your hosts and proceed to motorcade for boarding.

NOTE: Secretary Vance will depart separately.

10:20 p.m.

Motorcade departs Bolling AFB en route South Grounds.

(Driving Time: 10 minutes)

10:30 p.m.

Motorcade arrives South Grounds.

#

ATTACHMENTS

THE WHITE HOUSE

WASHINGTON

May 17, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE *fm*

SUBJECT:

Tribute to Senator Robert C. Byrd

The tribute to Senator Byrd is being sponsored by the West Virginia State Society of the District of Columbia. Of the approximately 500 who will be in attendance, the vast majority will be West Virginians. Therefore, Senator Byrd would probably prefer that you emphasize his efforts in behalf of the State of West Virginia and his devotion to West Virginians. As you may know, some of the active roles that Senator Byrd has assumed in behalf of some of our initiatives have not been politically popular in his State--for example, the Panama Canal Treaties--so it should be pointed out that as Majority Leader he must carry the special responsibility which is different from the responsibilities of other Senators. In addition to your emphasizing his vigorous efforts in behalf of West Virginia, you should be abundant in your personal praise of Senator Byrd and describe what a close adviser and confidant he is.

As you know, Senator Byrd is a very sensitive individual and he has been miffed by news reports that the Speaker is your best friend in the Congress. Therefore, this is a very appropriate setting to heap praise on Senator Byrd and to underscore the strong friendship you feel for him.

Attached are some thoughts that you may find useful.

This is a happy occasion because we have come to honor, pay tribute to, and thank Bob Byrd for all that he has done for us, for his beloved State of West Virginia, and for our great country. Bob Byrd is many things to me as President -- he is a patient tutor to a willing student; he has taught me much about the Senate, its rules, and its Members; he is my most trusted and reliable adviser. We talk in person or on the telephone on the average of at least once a day and he never fails to give me his candid opinion. Most importantly, Bob Byrd is my friend. I suggest to you that being the friend of the President, any President, is not an easy or always comfortable undertaking. Bob Byrd has been a source of strength for me. He has made personal and political sacrifices in my behalf.

Let me assure you, however, that aside from his God, his family (his lovely wife, Erma; his 2 daughters; and his grandchildren), and his country, Bob Byrd's highest allegiance is to the people of his beloved State of West Virginia. Bob Byrd fights with the zeal of a missionary for federal projects for West Virginia. He believes in his State and he has great faith in his people. As you have probably noticed I have found it difficult to say no to Bob Byrd when the State of West Virginia is involved. As a matter of fact, unless I am careful, the State of West Virginia will surpass my own State of Georgia as far as new federal projects and programs are concerned.

THE WHITE HOUSE

WASHINGTON

May 17, 1978

MEMORANDUM TO THE PRESIDENT

FROM: JIM FALLOWS, ^{SL}JERRY DOOLITTLE *JAD*

SUBJECT: Senator Byrd Tribute

1. I'm honored to be invited to join with the West Virginia State Society of the District of Columbia in this tribute to Senator Byrd. Senator Byrd is a great deal more than an effective spokesman for your state. He is also a great statesman and national leader, as was never more apparent than in the Panama treaties and the Mid-east arms sales package.

2. His leadership qualities have made him a man not only for West Virginia, but for the whole nation. As Majority Leader he carries special responsibilities which are broader and sometimes different from those of other Senators.

3. Although he must keep the needs of the whole country in mind, he has never let that diminish his devotion to his own state. Aside from his God, his family (his wife, Erma, his two daughters, and his grandchildren), Bob Byrd's highest allegiance is to the people of West Virginia.

4. I find it very difficult to say no to Bob when West Virginia is involved. As a matter of fact, unless I am careful, West Virginia will surpass Georgia as far as new federal projects and programs are concerned.

5. Bob Byrd is many things to me as President. He is a patient tutor, who has taught me much about the Senate, its rules, and its members. He is my most trusted and reliable adviser, who talks to me in person or on the phone at least once a day.

6. But even more important, Bob Byrd is my friend. To be the friend of a President is no easy or comfortable task, I know. Bob has made personal and political sacrifices in my behalf, and I thank him for them from the bottom of my heart. He has been a source of strength and solace for me, and I thank him for that, too. And I thank the people of West Virginia for their superb judgment in sending us such a man.

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THE WHITE HOUSE

WASHINGTON

May 17, 1978

MEMORANDUM TO THE PRESIDENT

FROM: JIM FALLOWS, ^{JL}JERRY DOOLITTLE ^{JUD}
SUBJECT: Jokes for Senator Byrd Dinner, May 17

1. I became friends with Senator Byrd very shortly after arriving at the White House. I go to work usually at 7 a.m., and I found Bob was the only other man in Washington I could count on to be at his desk. And he was always ready to chat with me about whatever he'd been working on for the last couple of hours.

2. Senator Byrd keeps too busy to watch TV much, but he does go to the movies. He told me once he had seen two movies in the past 10 years, and both of them were "Patton".
(Note: This is a fact, according to his top aide.)

3. Instead of movies or TV, he reads for relaxation. Mostly escape literature. He's lost to the world when he gets a chance to curl up for a few hours -- like with the Senate rule book.

4. I once asked Bob to tell me a little about his home state. He said the first thing to remember was that West Virginia is north of Virginia.

5. He told me another thing that led to confusion was the size of the state. A lot of folks thought it was small, but it was actually the size of all of Kansas and Nebraska, and half of Iowa. If you laid it out flat.

6. Senator Byrd's sage and wise advice have been priceless to me since I came to Washington nearly a year and a half ago, with an approval rating in the polls of over 70 percent. (... long pause...) Priceless, but costly.

7. Now my standing is down to 39 percent, and I told Bob I was afraid I might have peaked a little early.

8. But he advised me not to be too upset. He said all the polls really indicated was a rising level of lowered expectations.

9. Maybe I could turn the polls around if I worked as hard at my popularity as Senator Byrd does. Around election time, he's been known to play his violin for one single voter, who was out in his field plowing at the time. The newspapers accused him of fiddling while loam turned.

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National Aeronautics and
Space Administration

Washington, D.C.
20546

Office of the Administrator

May 17, 1978

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/

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

As you may know, we have been giving a great deal of careful analysis to the Skylab situation. Most recent predictions are that the spacecraft will reenter the Earth's atmosphere sometime between early 1979 and early 1980.

I have recently reviewed a detailed plan which, if successfully implemented, could extend the orbital lifetime of Skylab by as much as six to twelve months. This could provide sufficient time to carry out a Skylab reboost or controlled deorbit mission on a Space Shuttle flight in late 1979.

I am convinced this plan is the proper way to proceed at this time and have directed that it be implemented as soon as possible. The highlights of that plan are attached. We will keep you advised at critical milestones.

Today, we will also provide appropriate committee chairmen of the Congress with similar information.

Respectfully,

A handwritten signature in dark ink, appearing to read "Robert A. Frosch".

Robert A. Frosch
Administrator

Attachment

cc: Honorable Zbigniew Brzezinski
Honorable Frank Press
Honorable James T. McIntyre, Jr.

Skylab Attitude-Change Plan

As a result of successful contact with Skylab during interrogations from tracking stations in March and April, NASA will attempt a series of attitude-change procedures with Skylab beginning early next month.

These procedures are designed to establish control of the spacecraft and thereby extend its orbital lifetime by perhaps as much as six to twelve months. If these attitude-change maneuvers are successful and the gyros continue to operate, Skylab's reentry into the Earth's atmosphere could be delayed until sometime between late 1979 and mid-1980. Such maneuvers will decrease atmospheric drag on the spacecraft by orienting it to be aligned with the flight path.

The activities, beginning June 1, involve putting a new computer program into the onboard computer, using the attitude control system to maneuver Skylab into the desired position, and operating the control moment gyros to keep the spacecraft in that mode. These activities should be completed by mid-June.

If the desired attitude is achieved, Skylab will then be monitored on a daily basis. Hopefully, no additional maneuvers or adjustments will be necessary. A successful attitude-change maneuver could provide sufficient time to carry out a Skylab reboost or controlled deorbit mission on an early Space Shuttle flight.

FRANK PRESS COMMENT

FRANK PRESS COMMENT:

"The large Skylab mass likely to survive reentry -- some 50,000 pounds -- creates perceptual problems somewhat akin to the Soviet nuclear-powered satellite which reentered in Canada. NASA considered alternative ways to reboost or deorbit the Skylab. A Teleoperated Retrieval System (TRS) needs to be developed for either the Shuttle or alternatively an expendable launch vehicle. To meet the possible 1979 mission deadline, the TRS had to be mated with either the Shuttle or an expendable launch vehicle in March. It would have been duplicative to proceed with the expendable launch vehicle which, moreover, was judged to have a lower possibility of success.

The NASA proposal to use the Shuttle is the best decision available and poses no unacceptable risks to the Shuttle after the first flight test. The time pressures to meet this possible 1979 Skylab mission deadline, however, should not be allowed to become the driving force for the completion of the Shuttle development phase.

There are some budgetary concerns. The House Appropriations Committee may drop the TRS from your FY 1979 budget. However, I will lobby with Congressman Boland to see that the TRS is included in the FY 1979 budget approval and see if NASA can reprogram to accommodate TRS if this fails. NSC and OMB staffs concur. "

No other staff comments.

WASHINGTON

DATE: 18 MAY 78

FOR ACTION: FRANK PRESS

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

FRANK MOORE (LES FRANCIS)

ZBIG BRZEZINSKI

JIM MCINTYRE

SUBJECT: FROSCHE MEMO RE SKYLAB

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1200 PM SATURDAY 20 MAY 78 +

+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

<input checked="" type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND
<input type="checkbox"/>	NO DEADLINE
<input type="checkbox"/>	LAST DAY FOR ACTION -

ACTION
FYI

<input type="checkbox"/>	ADMIN CONFID
<input type="checkbox"/>	CONFIDENTIAL
<input type="checkbox"/>	SECRET
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<input checked="" type="checkbox"/>	VICE PRESIDENT
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<input type="checkbox"/>	WEXLER
<input checked="" type="checkbox"/>	BRZEZINSKI
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<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ADAMS
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<input type="checkbox"/>	BOURNE
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<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	CRUIKSHANK
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
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<input type="checkbox"/>	HUTCHESON
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<input type="checkbox"/>	LINDER
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<input type="checkbox"/>	WARREN
<input type="checkbox"/>	WISE
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WASHINGTON

DATE: 18 MAY 78

FOR ACTION: FRANK PRESS 

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

FRANK MOORE (LES FRANCIS)

ZBIG BRZEZINSKI

JIM MCINTYRE

SUBJECT: FROSCH MEMO RE SKYLAB

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1200 PM SATURDAY 20 MAY 78 +

+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: (✓) I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

The large Skylab mass likely to survive reentry--some 50,000 pounds--creates perceptual problems somewhat akin to the Soviet nuclear-powered satellite which reentered in Canada. NASA considered alternative ways to reboost or deorbit the Skylab. A Teleoperated Retrieval System (TRS) needs to be developed for either the Shuttle or alternatively an expendable launch vehicle. To meet the possible 1979 mission deadline, the TRS had to be mated with either the Shuttle or an expendable launch vehicle in March. It would have been duplicative to proceed with the expendable launch vehicle which, moreover, was judged to have a lower possibility of success. The NASA proposal to use the Shuttle is the best decision available and poses no unacceptable risks to the Shuttle after the first flight test. The time pressures to meet this possible 1979 Skylab mission deadline, however, should not be allowed to become the driving force for the completion of the Shuttle development phase.

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MAY 19 1976



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R1
National Aeronautics and
Space Administration

Washington, D.C.
20546

Office of the Administrator

May 17, 1978

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

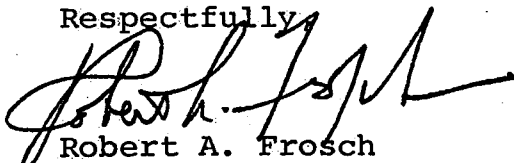
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Robert A. Frosch
Administrator

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cc: Honorable Zbigniew Brzezinski
Honorable Frank Press
Honorable James T. McIntyre, Jr.

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10:30 AM

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

FOR THE PRESIDENT AND MRS. CARTER

FROM THE SOCIAL OFFICE

DATE: 12 May 1978

SUBJECT: VISIT OF THE PRESIDENT OF ZAMBIA
17 May 1978

Please find attached the arrival and dinner scenarios
for the function indicated above.

ON THE OCCASION OF
THE VISIT OF
THE PRESIDENT OF ZAMBIA

Arrival Scenario

- 10:00 A.M. Welcoming and Official Parties arrive White House, South Lawn.
- 10:20 A.M. Official Party preceding President Kaunda arrives White House, takes South Lawn positions.
- 10:27 A.M. The PRESIDENT and MRS. CARTER arrive Diplomatic Reception Room.
- 10:29 A.M. The PRESIDENT and MRS. CARTER are announced, and enter grounds to edge of carpet.

(Music - "Man of the Hour")

- 10:30 A.M. The motorcade carrying President Kaunda arrives - fanfare. Official introductions.

The PRINCIPALS proceed onto platform and into positions for honors.

(Zambian National Anthem)
(U.S. National Anthem)
(21-gun salute)

The PRESIDENT and President Kaunda descend platform for Inspection of Troops. Return to platform for remarks.

(All PRINCIPALS into new positions for remarks.)
(No translator.)

Following remarks, PRINCIPALS return to positions facing south as Commander of Troops closes ceremony.

ALL PRINCIPALS descend platform and ascend stairs to So. Portico Balcony for press photo session. Continue into Blue Room for receiving line.

- 11:00 A.M. Coffee is served in Blue Room.
- 11:15 A.M. The PRESIDENT and President Kaunda depart State floor for Oval Office.

MRS. CARTER departs State floor.

NOTE: President Kaunda will be accompanied on this trip by his two grown sons. They will be in the receiving line in the Blue Room.

ON THE OCCASION OF
THE VISIT OF
THE PRESIDENT OF ZAMBIA

Dinner Scenario

7:15 P.M. Dinner guests begin arrival via Diplomatic Entrance, to Blue Room for refreshments.

(U.S.M.C. String Quartet in Main Hall.)

7:28 P.M. The PRESIDENT arrives Main Hall, and moves to North Portico.

7:30 P.M. President Kaunda arrives Northwest Gate to North Portico to be greeted by the PRESIDENT. Proceed to Blue Room for refreshments.

7:45 P.M. Dinner is served in State Dining Room.

8:45 P.M. Dessert is served. Coffee service begins.

10-minute performance by guitarist/singer,
Mr. Mel Downs.

8:55 P.M. (Coffee service continues.)

WORKING TIME

9:15 P.M. The PRESIDENT escorts President Kaunda to North Portico for departure.

The PRESIDENT departs Main Hall.

All guests depart via Diplomatic Reception Room.

PRESIDENT KAUNDA ARRIVAL STATEMENT

It is a great honor for me to welcome President Kaunda (Kah-OON-dah) to the United States.

More than three years have passed since his last visit. In that time, events have moved rapidly in southern Africa.

Some of that movement, thanks in great measure to President Kaunda's statesmanship, has been in the direction of majority rule. We are still far from solving the problems, but we are making progress together.

This progress would not have been possible without President Kaunda, who has been an active proponent of human rights and majority rule in southern Africa for many years.

The United States shares his dedication to these goals. I have made that clear in my correspondence with President Kaunda, and I welcome the change to renew those pledges in person.

I already know President Kaunda as a man of deep Christian principles and firm commitment to human rights. His visit gives me a chance to know him as a friend, as well.

Our meeting closes an important gap in my efforts to meet with the great statesmen of Africa, and learn from them at first hand. I am only sorry, Mr. President, that your wife, Betty, was unable to join you on this trip.

I know that you share our concern for a rapid and genuine transition to majority rule in Rhodesia. I know, too, that we agree on the fundamentals of a fair agreement to bring about such a transition.

We both seek peaceful solutions that will afford
the new government the stability that can only grow from
widespread popular acceptance.

Creation of such a government must depend, in
our opinion, on participation of all parties in a fair
and impartial process of transition.

The job will not be easy.

There are problems so difficult that they
transcend our own small capabilities and require divine
guidance.

I pray that President Kaunda and I, who share a
common faith and common goals, will find that guidance.

#

THE WHITE HOUSE

WASHINGTON

May 17, 1978

①
/

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*
SUBJECT: Detailee Request from Dr. Peter Bourne

For some time I have experienced some difficulty keeping up with detailees and volunteers brought in by Dr. Peter Bourne's White House office. Quite often, they were brought in with no notification to our personnel office.

The White House presently has a total of 15 detailees. Five, or 33%, of those belong to Peter's office. Two additional detailees recently requested would bring his office to seven of seventeen, or 41%. Attached is a list of these detailees and volunteers presently on board with his office.

I have discussed this with Peter and expressed my concern that the numbers were inconsistent with your instructions to limit detailees, as well as being disproportionate for a one-slot White House office. (He also has six slots on the Domestic Policy staff.)

Accordingly, on April 24, (following your suggestion that if I needed help on controlling detailees, to refer requests to you for approval) I wrote Peter that I would not approve any additions to his current details unless you personally approved them in writing.

Two of Peter's details expired yesterday, and others will be expiring in the near future. He may be coming directly to you to approve their extensions and possibly some additions.

I will be writing you shortly with an explanation of how we plan to control detailees in the future, in part by having special White House projects conducted out at the Agencies.

DETAILEES AND VOLUNTEERS TO WHITE HOUSE OFFICE
FOR DR. BOURNE'S OFFICE

DETAILEES (7)

<u>NAME</u>	<u>AGENCY</u>	<u>STARTING</u> <u>DATE</u>	<u>ORIGINAL</u> <u>SCHED.</u> <u>ENDING</u>	<u>REQUESTED END</u> <u>DATE</u>
Jane E. Krystynak	(DOD)	3/28/78	5/16/78	8/31/78
Leonard Krystynak	(HEW)	5/16/77	5/16/78	9/31/78
Frances Magrabi (part-time)	(USDA)	on request	--	7/15/78
Artemis Simopoulos (part-time)	(NIH)	on request	--	8/1/78
David Damrosch	(DOD)	3/6/78	5/30/78	--
Gerald Fill	(OMB)	2/9/77	9/30/78	--
Charles O'Keefe	(VA)	3/25/78	6/25/78	--

TOTAL AUTHORIZED DETAILEES IN WHO 5/1/78: 15

VOLUNTEERS (6)

<u>NAME</u>	<u>STARTING</u> <u>DATE</u>	<u>SCHED.</u> <u>ENDING</u>
Roberta S. Anderson	3/15/78	5/31/78
Kathy Boyden	10/28/77	5/31/78
John P. Campbell III	12/23/77	5/31/78
Gregory Johnson	3/28/78	6/15/78
Elise B. Leffler	4/11/78	5/24/78
Brandon Zurlo	2/1/78	5/31/78

TOTAL AUTHORIZED VOLUNTEERS IN WHO 5/1/78: 42

5/16/78

THE WHITE HOUSE
WASHINGTON

May 17, 1978

*release
on 26th
give to staff
25th*

Stu Eizenstat

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling. Stu - please inform Marshall, Strauss and Schlesinger. The signed original has gone to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Lipshutz
Frank Moore
Jody Powell
Jack Watson
Anne Wexler
Jim McIntyre
Charlie Schultze
Landon Butler
Bob Linder

RE: PRESIDENTIAL COMMISSION ON COAL

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

STN - PLS INFORM
MARSHALL, STRAUSS &
SCHLESINGER

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
/	EIZENSTAT
	JORDAN
	KRAFT
/	LIPSHUTZ
/	MOORE
/	POWELL
/	WATSON
/	WEXLER
	BRZEZINSKI
/	MCINTYRE
/	SCHULTZE

	ARAGON
	BOURNE
/	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

THE WHITE HOUSE

WASHINGTON

May 16, 1978

C

MEMORANDUM FOR: THE PRESIDENT

FROM: THE SECRETARY OF LABOR
THE SECRETARY OF ENERGY
THE SPECIAL TRADE REPRESENTATIVE
THE CHAIRMAN, CEA
THE DIRECTOR, OMB
STU EIZENSTAT *Stu*
LONDON BUTLER
BOB LIPSHUTZ
JACK WATSON

SUBJECT: Presidential Commission on Coal

During the coal strike you promised to appoint a Presidential Commission on Coal. We have consulted widely on the structure, responsibilities, and membership of the proposed Commission. Based on these consultations we recommend that the Commission be structured as follows: (Draft Executive Order attached)

I. Membership

A. Commission Size

The key question of how large to make the Commission depends on whether the various factions and segments of the industry should be represented. These factions -- union and non-union, Miller and anti-Miller, steam coal and soft coal, western and eastern, strip and deep, etc. -- need to feel a sense of participation if the Commission's recommendations are to be widely accepted. Moreover, a large Commission would help to please more members of Congress, many of whom have recommended members for the Commission. On the other hand there are obviously too many factions for all to have seats at the table.

Because of the difficulty of satisfying all factions, we believe that the Commission should be limited to five members, of whom three, including the Chairman, would be representatives of the general public. One member would represent labor and one would represent management. The labor and management representatives, however, would not be appointed by the UMW and the BCOA but would be chosen by you from among individuals recommended by these groups to represent their points of view.

-2-

With this size Commission we will be able to keep the group small enough to preserve its effectiveness. The Commission could appoint subcommittees of experts and others in the industry to help it to work on specific issues. With only five members, the Commission will be exclusive enough to limit charges of unfair allocation of seats.

Approve ✓ Disapprove _____

B. Non-voting public members

In order to add stature and visibility to the Commission we recommend that it include some government officials as non-voting members. Specifically we recommend that the Secretaries of Energy and Labor, and two members (D&R) each from the House and Senate sit on the Commission. These ex-officio representatives would serve both to help ground the Commission in political realities and to keep the government and the Congress informed of the Commission's activities.

Approve ✓ Disapprove _____

II. Commission Responsibilities

The Commission's Charter would specify four major areas of focus:

- 1) Labor-management relations, including collective bargaining and grievance procedures.
- 2) Productivity incentives for both labor and management, including capital investment needs, absenteeism and strikes, and coal research.
- 3) Health and Safety problems.
- 4) Government Regulations, including MSHA, and EPA rules.

In addition the Commission would have broad power to investigate and make recommendations concerning other areas of concern to the industry. The Commission would also have responsibility for coordinating the White House Conference on Coal. It could also hold hearings in the field and develop grievance training procedures and programs. The Commission would be required to file its report and recommendations to you within one year of its first meeting and would expire within 30 days after that report.

Approve ✓ Disapprove _____

*Can we abbreviate
any?*

The Commission would be empowered to hire its own staff of approximately 15-25 professionals. Its budget would be \$1 - 1.5 million, which would come from the discretionary funds of the Secretaries of Labor and Energy. Commission members would be paid on a per diem basis for their meetings and other time. Additional support would be provided by the Secretaries of Labor and Energy, along with the Appalachian Regional Commission, the Federal Mediation and Conciliation Service, and other government agencies.

Disapprove _____

We have solicited recommendations on potential Commission members from many Congressmen, Senators, Governors and others. If you approve of this Commission structure, a memo from Ray Marshall and Hamilton suggesting recommended candidates will be forwarded to you shortly.

We recommend that you announce the Commission's formation, and its Chairman, when you are in Charleston, West Virginia next week. The announcement should be particularly well received there.

Disapprove

lower
number

- - - - -
PRESIDENT'S COMMISSION ON THE COAL INDUSTRY

By the authority vested in me as President by the Constitution of the United States of America, and in order to establish, pursuant to the provisions of the Federal Advisory Committee Act (5 U.S.C. App. I), a balanced forum to review the state of the Nation's coal industry, it is hereby ordered as follows:

1-1. Establishment and Membership.

1-101. There is hereby established the President's Commission on the Coal Industry.

1-102. The membership of the Commission shall be as follows:

(a) Five members shall be appointed by the President. One shall represent the interests of labor, one shall represent management and three shall represent the general public. The labor and management representative shall be chosen from among candidates recommended by the United Mine Workers of America and the Bituminous Coal Operators Association of America, but shall not be members of these organizations. The President shall designate one of the members representing the general public to chair the Commission.

(b) The President Pro-tem of the Senate and the Speaker of the House of Representatives may designate two members of their respective Houses to serve as non-voting members of the Commission.

(c) The Secretary of Labor and the Secretary of Energy or their designees shall also be non-voting members of the Commission.

1-2. Functions.

1-201. The Commission shall conduct a comprehensive review of the state of the coal industry in the United States with particular emphasis on matters pertaining to productivity,

capital investment, and the general economic health of the industry; collective bargaining, grievance procedures, and such other aspects of labor-management relations as the Commission deems appropriate; health, safety and living conditions in the Nation's coal fields; the development and application of new technologies to the industry; the impact on the coal industry of Federal regulations and such other matters as the Commission deems appropriate.

1-202. The five members appointed by the President shall prepare and transmit a final report of their findings and recommendations to the President, the Secretary of Labor and the Secretary of Energy. Prior to transmitting these findings and recommendations, the Chairman shall afford all other members of the Commission an opportunity to attach any comments.

1-203. To assist the Commission in the exercise of its functions, the Commission may sponsor a White House Conference on the future of the coal industry.

1-3. Administration.

1-301. To the extent authorized by law, the general Services Administration shall provide the Commission with all necessary administrative services, facilities and support on a reimbursable basis.

1-302. The Department of Labor and the Department of Energy shall, to the extent permitted by law and subject to the availability of funds, provide the Commission with such information, advice, services, and funds as may be necessary for the effective performance of its functions.

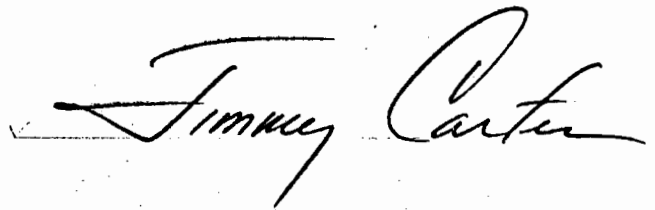
1-303. Each member of the Commission who is not otherwise employed in the Government may receive compensation at the rate now or hereafter prescribed by law for GS-15 of the General Schedule for each day such member is engaged in the work of the Commission. Each member may also receive travel expenses, including per diem in lieu of subsistence (5 U.S.C. 5702 and 5703).

1-304. The functions of the President under the Federal Advisory Committee Act (5 U.S.C. App. I) which are applicable to the Commission, except that of reporting annually to the Congress, shall be performed by the Administrator of General Services.

1-4. Final Report and Termination.

1-401. The final report required by Section 1-202 of this Order shall be transmitted not later than one year from the date of the first meeting of the Commission.

1-402. The Commission shall terminate thirty days after submission of its final report.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the typed name "Jimmy Carter".

THE WHITE HOUSE,

THE WHITE HOUSE
WASHINGTON
May 17, 1978

Stu Eizenstat
Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

The Vice President
cc: Jack Watson
Zbig Brzezinski
Jim McIntyre

RE: IMPORT MEAT LEGISLATION

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

✓	VICE PRESIDENT
✓	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
✓	MOORE
	POWELL
✓	WATSON
	WEXLER
✓	BRZEZINSKI
✓	MCINTYRE
	SCHULTZE

	ADAMS
	ANDRUS
	BELL
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	SCHLESINGER
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	VANCE

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	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
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	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

*Stu, Frank
oppose
strongly
J*

THE WHITE HOUSE
WASHINGTON

May 16, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
LYNN DAFT
SUBJECT: Meat Import Legislation

As you know, the Senate passed a bill (H.R. 5052) week before last that amends the Meat Import Act of 1964. This bill, sponsored by Senator Bentsen, was passed before the Administration had formally taken a position. The bill was attached as an amendment to a House passed bill so it could be sent directly to Conference.

The Bentsen proposal would make four major changes in the present law:

- (1) A countercyclical formula for determining the level of the import quota;
- (2) expanded coverage of the quota to include various processed meats;
- (3) use of a semi-annual rather than an annual quota; and,
- (4) restriction of the President's power to suspend quotas.

We have serious problems with several features of this bill and feel the Administration should have an opportunity to register these views before the Congress takes final action. The bill would seriously restrict Administrative discretion, it would run exactly counter to our overall policy of liberalizing the trade of agricultural commodities in world markets, it would seriously impact the livestock economy of the major beef exporting countries (Australia and New Zealand, in particular), and, most importantly, it would be of marginal benefit to the domestic livestock industry.

Congressman Vanik, Chairman of the Subcommittee on Trade, has scheduled hearings on May 22. No further Congressional action will be taken until after the hearings.

Thus, there is no longer a concern that the House would take the Senate bill directly to conference before the Administration had an opportunity to state its position. We will have an opportunity to express our opposition before Vanik's committee.

2607

THE WHITE HOUSE
WASHINGTON

May 17, 1978

Bob Lipshutz

The attached was returned in the
President's outbox today and is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: The Vice President
Hamilton Jordan
Jim Gammill

	FOR STAFFING
	FOR INFORMATION
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	LOG IN/TO PRESIDENT TODAY
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return only to me

ACTION
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	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

THE WHITE HOUSE
WASHINGTON

May 17, 1978

Bob Both will be on
Commission -
Shenenfeld (sp)
to be Chmn
JC

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz *BL*
SUBJECT: Appointments to the Anti-Trust
Commission

The Attorney General has submitted recommendations to you for these appointments.

I wish to recommend quite strongly that one of these proposed nominations be changed.

With reference to the one position designated for the "Chairman of an independent regulatory commission", I recommend that Michael Pertschuk, as Chairman of the Federal Trade Commission, be appointed by you instead of Alfred E. Kahn, who is Chairman of the Civil Aeronautics Board. The Federal Trade Commission is an agency which has much more direct relationship to anti-trust laws than any other independent regulatory commission. Both in practice and in perception, I think it quite important that the Chairman of this commission, and particularly this Chairman, serve on the Anti-Trust Commission.

I recognize that the Attorney General's recommendations should be predominant in selecting this commission. However, you will recall that one of the basic decisions which you made in establishing this commission was that it should be a "Presidential commission" and not a "Justice Department commission".

THE WHITE HOUSE
WASHINGTON

5-17-78

To Governor George Wallace

I noted with interest your decision not to run for the U.S. Senate. Without trying to assess your personal reasons for this announcement, I would like to take this opportunity to express again my sincere appreciation for what you have meant to me. Your friendship, support at a critical time, sound advice, and a gentle sensitivity about some of the important political issues have all been very important. I value this friendship, and wish you well.

THE WHITE HOUSE
WASHINGTON

every respect. The admiration
and appreciation of your
many other friends in
Alabama and throughout
the nation will be a
good foundation for your
future happiness and contin-
ued public service.

Sincerely,
Jimmy Carter

bcc: Hamilton Jordan
Tim Kraft
Frank Moore
Jody Powell

2580

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

May 16, 1978

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Phil Wise
Fran Voorde

DINNER WITH SARBANES AND CHURCH

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<input type="checkbox"/>	VANCE

THE WHITE HOUSE

WASHINGTON

May 16, 1978

PERSONAL AND ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE *FM*

Scheduling informs me that it is possible for you to have dinner with Sarbanes and Church this Thursday night.

This is probably as good a time as any, given the events of yesterday and the upcoming battle on Greek/Turkey.

☒ Approve this Thursday night

☐ Delay until next week or a later time.

THE WHITE HOUSE

WASHINGTON

May 16, 1978

PERSONAL AND ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE *FM.*

A political history of Senate Bill 422 is as follows. Governor Carroll went to see Dale Sights last week to see if Dale could help right the wrong that GSA had committed against the First Baptist Church of Paducah. Dale then came to Washington and met with Carroll Hubbard, Wendell Ford and Dee Huddleston. Ford took the lead in the Senate, because it was his end of the state.

Dale suggested the following and Ned Breathitt concurs. Upon signing the bill, have Frank Moore call Dee Huddleston and let Dee call the Reverend John Wood, the pastor of the First Baptist Church of Paducah and inform him. Next, let Jack Watson call Governor Julian Carroll, and let him announce it to the capitol press, so Julian can get the proper credit in his home town of Paducah.

After a decent interval of time, make a routine notification to Senator Ford's and Congressman Hubbard's offices.

The Reverend Wood is and up and coming Baptist evangelist, and travels all over the country preaching at revivals. He is extremely popular. Huddleston's office reported that they have had over 1,000 pieces of individual mail.

~~Dee is to be back in his office at 11:30 a.m. If his natural good humor and Senatorial courtesy would allow him to do this, I would suggest we work it through Governor Carroll exclusively.~~

Have talk with Dee. He would like to

Make the phone calls to Paducah.

5/16/78
KEMENIAN - AMERICANS

SET MOJIAN

ALEX / RICHARD MANDOGIAN

ED MANDOGIAN

ANCIENT 2500 YRS - IDENTITY
OLDEST CHRISTIAN - JEFFER
GREATEST CRIMES < 1916 = 1/2
1 MILLION IN U.S.

ED / IND / AET / BUS / GOVT
DEMOCRATS

LIL CHOKASIAN

5/16/78

11:00 meeting

THE WHITE HOUSE
WASHINGTON

Turkey / Greece = Early Vote

Cuba / Africa - Legis.

Gromyko 5/26 8 am

PRC - date

SALT - date

THE WHITE HOUSE
WASHINGTON

5-16-78

Bipartisan leadership

Civil Service

Airline dereg - Sen - 3/4 → ?

Hospital costs

Budget

Cubans/SU in Africa

Civil Service 5/18 H 1/22 Plan 5/23

Fbi → PRC

NATO - Turkey Arms

Energy

Labor Law Reform

SALT

Harper's 3/78 - Balkanization

THE WHITE HOUSE
WASHINGTON

MAY 16, 1978

MR. PRESIDENT

ANDREW AND JAMIE WEYTH HAVE
CANCELLED THEIR TRIP TO
WASHINGTON AND WILL NOT BE
COMING TO THE WHITE HOUSE FOR
LUNCH TODAY.

PHIL

ek
J

THE WHITE HOUSE

WASHINGTON

May 16, 1978

Charlie Schultze

The attached was returned in the President's outbox and is forwarded to you for your information.

Rick Hutcheson

RE: THE ECONOMIC IMPACT OF HR 8410 and
S 2467

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	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
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	CONFIDENTIAL
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	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
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	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
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	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

*To Schultz
from Hatfield
JC*

THE ECONOMIC IMPACT OF H.R. 8410 AND S. 2467

A Study of the Economic Impact of Labor Law Revision on
Inflation, Wage Rates, Minority Groups and Small Business

March 1978

R I N F R E T

RINFRET ASSOCIATES, Inc.
ECONOMIC AND FINANCIAL INTELLIGENCE
111 East 40th Street, New York, N.Y. 10018
212/688-2620

10:15 AM

THE WHITE HOUSE

WASHINGTON

May 15, 1978

MEETING WITH POSTMASTER GENERAL WILLIAM BOLGER

Tuesday, May 16, 1978
10:15 a.m. (10 minutes)
The Cabinet Room

From: Stu Eizenstat *By D. Eizenstat*
Bob Malson

I. PURPOSE

To give the new Postmaster General, William Bolger, an opportunity to meet you and discuss briefly a few major political issues. Mr. Bolger has been a career postal employee and is one of three such employees ever to have been appointed Postmaster General. He was selected by the Board of Governors in March, and he assumed office on March 15, replacing Ben Bailar.

II. PARTICIPANTS AND PRESS PLAN

- A. Participants: William Bolger, Stu Eizenstat, Bob Malson
- B. Press Plan: White House photo only

III. TALKING POINTS

1. I want to congratulate you on your appointment. My Administration and I are committed to working with you, especially over the next several months, to solving some of the most difficult issues faced by the Postal Service since its creation in 1970.
2. As Ben Bailar may have told you, I am concerned about the Postal Service's ability to keep costs within affordable limits as it attempts to maintain its quality services to the American people. Although the Postal Service is not technically under my Executive control, I feel an obligation to do what I can to assure that costs are controlled and that the Postal Service management is not left to fight the battle against unnecessary costs by itself.

3. One of my principal concerns is the postal legislation now pending in Congress. The plan which recently passed the House is unacceptable to me, for it not only partially repeals the private express statutes and abolishes the Board of Governors, but also places no real limitation on the amount of Federal subsidy that might be voted to meet the Service's deficit. I know that you are equally troubled by the plan, and I hope that we can work together to produce a sound, reasonable postal bill in the Senate. We are now working with Senator Glenn to develop such a bill and he may introduce a bill by the end of this week or early next week (Stu will be meeting with Senator Glenn to discuss his bill later this afternoon).
4. Of equal concern to me are your negotiations with the postal labor unions. I am concerned both because the number of employees involved (650,000) necessarily means that a settlement will have an effect throughout the economy and because these negotiations are certain to set a standard for negotiations which will go forward throughout the rest of the year. The postal negotiations will produce the next major settlement throughout the country (current contract expires the end of June), making them especially important to our efforts to decelerate wages. In addition, because the Postal Service is widely viewed as a government agency, the settlement will be seen as an indicator of our resolve to have the government play a major role in decelerating wages.
5. I know that you have already met with Ray Marshall and Bob Strauss on the negotiations. Throughout the negotiations, I request that you keep in close contact with Bob, Ray, and Barry Bosworth, so that they can keep me abreast of developments. I'll do whatever I can to help you decelerate the wage package you are negotiating. (The unions' last contract provided a three-year, 24% pay increase. The Postal Service would like to have this year's contract involve a 15-20% increase over three years, which would clearly meet the deceleration standards.)
6. I hope this meeting is the beginning of a close, cooperative relationship between the two of us. I stand ready to meet or talk with you whenever you feel I can be of help to the Postal Service in restraining unnecessary costs.

THE WHITE HOUSE
WASHINGTON

May 16, 1978

Jody Powell

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

2557

Jody
Interesting
J

AN ADDRESS BY ARMAND HAMMER
BRITISH AMERICAN CHAMBER OF COMMERCE

LORD MAYOR, MY LORDS, LADIES AND GENTLEMEN,

IT IS A GREAT PRIVILEGE FOR ME TO BE INVITED TODAY TO SPEAK TO THIS DISTINGUISHED AUDIENCE. I DO FEEL IT'S APPROPRIATE, HOWEVER, THAT A MEMBER OF THE OIL INDUSTRY SHOULD BE ASKED TO ADDRESS THE MEMBERS OF THE BRITISH AMERICAN CHAMBER OF COMMERCE THIS YEAR, AS I BELIEVE THAT, OVER THE LONG HISTORY OF TRADE AND ASSOCIATION BETWEEN OUR TWO COUNTRIES, THERE HAS NEVER BEEN A BETTER EXAMPLE OF COOPERATION AND MUTUAL BENEFIT THAN THE DEVELOPMENT OF NORTH SEA PETROLEUM. EVER SINCE I VISITED RUSSIA IN 1921, I HAVE PUBLICLY BEEN AN ADVOCATE OF INTERNATIONALISM, AND THE BENEFITS OF COOPERATIVE ECONOMIC VENTURES WHICH CAN TRANSCEND DIFFERENT POLITICAL PHILOSOPHIES AND BRING PEOPLE PEACEFULLY TOGETHER BY THEIR MUTUAL ECONOMIC INTERESTS. THE NORTH SEA IS AN EXCELLENT EXAMPLE OF THE BENEFITS OF COMBINING INTERNATIONAL RESOURCES.

IN 1971, THE OCCIDENTAL NORTH SEA CONSORTIUM WAS FORMED. WE ATTRACTED AS OUR PARTNERS, GETTY OIL, ALLIED CHEMICAL AND THE THOMSON ORGANISATION. THOMSON, AS THE BRITISH PARTNER, FROM THE EARLY DAYS HAS HAD AN INFLUENTIAL ROLE IN THE FORMULATION OF OUR POLICIES AND OPERATING DECISIONS IN THE U.K. THOMSON'S EXCELLENT EXECUTIVE STAFF SHARED THEIR TIME WITH US WHILE WE WERE BUILDING A BRITISH ORGANISATION OF OUR OWN, AND KNITTING THEM TOGETHER AS AN OXY TEAM.

I ONLY WISH THAT ROY THOMSON AND PAUL GETTY COULD BE HERE WITH US TODAY, FOR THEY WERE GREAT MEN, MEN OF VISION AND COURAGE, ADVENTUROUS AND FILLED WITH A GREAT SENSE OF LOYALTY TO THE BRITISH IDEAL.

I MUST DIGRESS JUST FOR A MOMENT, THOUGH, AND TELL YOU ONE FUNNY STORY ABOUT THESE TWO. WHEN I ENCOURAGED ROY THOMSON TO INVEST IN OUR NORTH SEA VENTURE IT WAS THE FIRST TIME THAT HE HAD EVER BEEN INVOLVED IN AN OIL PLAY. FRANKLY, ROY ALSO HAD A TEMPORARY CASE OF THE FINANCIAL SHORTS, BUT I TOLD HIM NOT TO WORRY, THE DEAL WAS A SOUND GAMBLE AND IF ANYTHING WENT AMISS, I WOULD HELP HIM CARRY HIS LOSSES UNTIL THE FOLLOWING YEAR WHEN HE WOULD BE IN BETTER SHAPE. WITH A MAN LIKE ROY ONE COULD DO THIS ON A HANDSHAKE, WHICH IS ONE OF THE WARM MEMORIES OF MY LIFE AS I APPROACH 80 NEXT WEEK, REMEMBERING BACK ON THESE TWO OCTOGONARIAN TITANS WHO COULD FUNCTION IN THIS FASHION.

HOWEVER, ROY DID GET WORRIED AS WE DRILLED A COUPLE OF DRY HOLES, AT A LOSS OF SEVERAL MILLION DOLLARS EACH. I TOLD HIM THAT WAS IN THE NATURE OF OUR BUSINESS AND NOT TO WORRY, SAYING, "AFTER ALL ROY, WHEN I TOOK OVER OXY 16 YEARS AGO IT WAS WORTH LESS THAN \$100,000 AND THE FIRST TIME I WENT TO SEE ONE OF MY OIL WELLS, I STOPPED AND BOUGHT A POLAROID CAMERA SO I COULD SHOW MY WIFE, FRANCES, WHAT ONE LOOKED LIKE, SINCE NEITHER OF US HAD EVER SEEN ONE BEFORE."

ROY SEEMED A LITTLE LESS WORRIED, BUT HE BECAME TRULY ENTHUSIASTIC A FEW DAYS LATER. PAUL GETTY INVITED ROY TO HIS CLUB HERE IN LONDON AND THOSE OF YOU WHO KNEW PAUL WILL UNDERSTAND THAT WHEN PAUL AGREED TO PAY FOR LUNCH THAT WAS IN ITSELF A MOMENTOUS OCCASION.

OVER COFFEE, PAUL FINALLY GOT TO THE POINT WITH ROY, SAYING: "ROY I KNOW YOU DON'T HAVE ANY UNDERSTANDING OF THE OIL BUSINESS. IT'S A VERY RISKY BUSINESS, TELL YOU WHAT, WHY DON'T YOU LET ME BUY YOUR SHARE AND GET YOU OUT OF THIS THING;" ROY'S SCOTS HERITAGE SMELLED A RAT AND HE POLITELY THANKED PAUL BUT SAID HIS INTEREST WAS NOT FOR SALE.

ROY IMMEDIATELY WENT TO THE TELEPHONE. IT WAS ABOUT 5 A.M. IN LOS ANGELES AND HE KNEW I ROSE EARLY. HIS COMMENTS WERE BRIEF. HE SIMPLY SAID: "ARMAND, WHAT DO YOU THINK OF THAT SOB PAUL. HE WANTS TO BUY ME OUT. I WON'T BE WORRIED ABOUT THIS INVESTMENT ANYMORE BECAUSE IF HE WANTS IT, IT MUST BE GOOD."

WELL YOU KNOW THE REST OF THE STORY, BUT I WILL DETAIL JUST A LITTLE OF IT.

IN THE 4TH ROUND OF LICENSING WE ACQUIRED A PETROLEUM PRODUCTION LICENSE COVERING 6 TRACTS ENCOMPASSING ABOUT 316,000 ACRES OF THE NORTH SEA. A LARGE PROPORTION OF THIS ACREAGE WAS IN THE MORAY FIRTH BASIN, AN AREA IN WHICH, AT THAT TIME, NO DISCOVERIES HAD BEEN MADE. IN JANUARY 1973, WITH OUR THIRD EXPLORATORY WELL WE STRUCK THE PIPER FIELD. IN THE FOLLOWING 4 YEARS WE ORDERED AND POSITIONED A PLATFORM, LAID A PIPELINE TO ORKNEY AND BUILT AN OIL TERMINAL AT FLOTTA, WHICH TONY BENN AND I INAUGURATED ON JANUARY 11TH, 1977. THE PIPER FIELD IS REPUTED TO BE ONE OF THE MORE PROFITABLE NORTH SEA FIELDS, AND HAS ESTIMATED RESERVES IN THE NEIGHBOURHOOD OF 600 MILLION BARRELS. CURRENT PRODUCTION IS APPROXIMATELY 260,000 BARRELS PER DAY, AND IS EXPECTED TO REACH 300,000 BARRELS PER DAY LATER THIS YEAR.

IN MAY 1974, ON ACREAGE SOME 20 MILES WEST OF PIPER, WE DISCOVERED THE CLAYMORE FIELD. THIS FIELD HAS ESTIMATED RECOVERABLE RESERVES OF APPROXIMATELY 400 MILLION BARRELS AND STARTED PRODUCTION IN NOVEMBER, 1977, AND IS CURRENTLY PRODUCING AT RATES UP TO 80,000 BARRELS PER DAY. BETWEEN THE TWO FIELDS WE ARE CURRENTLY PRODUCING ABOUT 30 PER CENT OF ALL THE U.K. NORTH SEA OIL. CLAYMORE IS THE FASTEST DEVELOPED NORTH SEA FIELD TO DATE, AND IS A CREDIT, NOT ONLY TO THE SUBSTANTIAL TECHNICAL ACHIEVEMENT AND HARD WORK BY OUR MOSTLY BRITISH PEOPLE AND MANY CONTRACTORS INVOLVED, BUT ALSO, TO THE EXTREMELY GOOD LEVEL OF COMMUNICATION AND COOPERATION BETWEEN OCCIDENTAL AND LOCAL AND CENTRAL GOVERNMENT. EARLIER THIS YEAR, ON FEBRUARY 28TH, WE WERE HONORED WHEN PRINCE CHARLES ACCEPTED MY INVITATION TO VISIT THE CLAYMORE FIELD - HIS FIRST VISIT EVER TO AN OFFSHORE INSTALLATION. I THOUGHT HE CHARMED EVERY ONE OF THE SEVERAL HUNDRED WORKERS HE GREETED THAT DAY. HE ASKED ONE OF THE BRITISH WORKERS "ARE YOU GETTING GOOD MONEY " THE MAN REPLIED "YES, BUT HALF OF IT GOES FOR TAXES." PRINCE CHARLES REPLIED "THAT MUST BE BLOODY HELL, ESPECIALLY SINCE YOUR NOT ALLOWED TO HAVE WOMEN ON BOARD."

FROM THE BEGINNING IT HAS BEEN A BASIC TARGET OF OXY TO TAKE THE UTMOST CARE TO PROTECT THE ENVIRONMENT AT ALL STAGES AND THIS HAS BEEN APPRECIATED PARTICULARLY BY ALL THE VARIOUS GOVERNMENT AGENCIES THAT HAVE CONTROL OF OUR OPERATIONS. FLOTTA TERMINAL IN ORKNEY IS LOCATED IN AN AREA OF VERY SPECIAL BEAUTY AND IT TOOK AN UNUSUAL PERCEPTION TO KNOW THAT IN THIS ENVIRONMENT WE COULD BUILD A TERMINAL WHICH WOULD NOT IMPOSE PHYSICALLY ON THE LOCAL LIFE

STYLE, AND WOULD NOT MAR THE MARINE OR LAND ENVIRONMENT. WE HAD NO DIFFICULTY IN ESTABLISHING COMMON INTEREST WITH THE AUTHORITY IN ORKNEY, AND WE INTEND TO HAVE A LONG HISTORY OF BEING GOOD CITIZENS OF THAT COMMUNITY.

I AM PARTICULARLY PROUD OF THE WAY WE HANDLED THE CONSTRUCTION OF FLOTTA AND BECAME MEMBERS OF THE COMMUNITY. WE WERE WELCOMED AMONG THOSE PEOPLE AND THEY HAVE TREATED US AS A GOOD NEIGHBOUR AND WE HAVE TRIED VERY HARD TO BE A GOOD NEIGHBOUR. IT IS A REMARKABLE EXAMPLE OF WHAT CAN HAPPEN WHEN PEOPLE OF GOOD INTENT COOPERATE TOGETHER.

IT'S QUITE A LITTLE BIT DIFFERENT FROM A TRUE STORY THAT HAPPENED TO THE FIRST HENRY FORD, WHOM I HAD THE PLEASURE TO CALL MY FRIEND, WHEN HE RETURNED TO THE SMALL CITY IN IRELAND FROM WHICH HIS PARENTS HAD EMIGRATED. A LOCAL GROUP CALLED ON THE FAMOUS MR. FORD, ASKING FOR A DONATION FOR THEIR HOSPITAL. / MR. FORD IMMEDIATELY WROTE OUT A CHECK FOR \$5,000. HOWEVER, THE NEXT MORNING, THE LOCAL NEWSPAPER HEADLINED THAT MR. FORD HAD GIVEN \$50,000. THE LOCAL CITIZENS AGAIN CALLED ON MR. FORD WITH A COPY OF THE DENIAL THEY WOULD PUT OUT: "MR. FORD ONLY GAVE \$5,000."

HENRY ASKED FOR HIS CHECK BACK, WROTE ANOTHER FOR \$50,000 AND WITH A WRY SMILE EXTRACTED ONE CONDITION -- ABOVE THE HOSPITAL ENTRY IT MUST BE INSCRIBED "I CAME AMONG YOU AND I WAS TAKEN IN."

I UNDERSTAND THE HOSPITAL AND THE INSCRIPTION ARE STILL STANDING.

I WOULD LIKE TO MENTION THAT FLOTTA IS ON THE SHORT LIST TO RECEIVE A JUBILEE AWARD FROM THE ROYAL INSTITUTE OF TOWN PLANNING.

IN 1973, WHEN THE FULL FINANCIAL IMPACT OF DEVELOPING THE PIPER FIELD WAS REALIZED, TWO MEMBERS OF THE CONSORTIUM, OCCIDENTAL AND THOMSON, SEPARATELY, BUT THROUGH SIMILAR AGREEMENTS, RAISED BANK LOANS FOR THE DEVELOPMENT. AT THAT TIME THE NOVEL ELEMENTS OF THE FINANCING, AND THE SUBSEQUENT SUCCESS FROM THE BANKERS POINT OF VIEW OF THE PIPER FINANCING AGREEMENT, HELPED OVERCOME THE BANKING INDUSTRY'S HESITATION IN FINANCING NORTH SEA PROJECTS. SUBSEQUENTLY A SIMILAR FINANCING WAS ARRANGED FOR THE CLAYMORE DEVELOPMENT.

BY THE END OF NEXT YEAR THE OCCIDENTAL CONSORTIUM WILL HAVE SPENT OR COMMITTED AN INVESTMENT OF OVER TWO BILLION DOLLARS IN THE NORTH SEA. ORIGINALLY WE PLANNED TO INVEST SOME \$400 MILLION BUT OUR INVESTMENT HAS GROWN WITH THE CLAYMORE DISCOVERY AND COSTS HAVE ESCALATED WITH INFLATION. SOME SIXTY PERCENT OR 1.2 BILLION DOLLARS WILL BE SPENT WITH BRITISH INDUSTRY TO THE BENEFIT OF BRITAIN IN TERMS OF EMPLOYMENT AND ITS BALANCE OF PAYMENTS. AN EVEN HIGHER PROPORTION OF OUR \$80 MILLION PER YEAR OPERATING EXPENSES GOES INTO BRITISH PRODUCTS. WE HAVE CLOSELY OBSERVED THE UNDERTAKING GIVEN TO THE GOVERNMENT BY THE U.K. OFFSHORE INDUSTRY, TO ALLOW BRITISH COMPANIES A FULL AND FAIR OPPORTUNITY TO OBTAIN CONTRACTS RELATING TO OUR DEVELOPMENTS. IT WOULD CERTAINLY NOT BE OUR NORMAL PRACTICE TO PLACE BUSINESS WITH APPLICANTS WHOM WE HAVE GOOD REASON TO BELIEVE ARE NON-COMPETITIVE IN COST, QUALITY, OR DELIVERY SCHEDULE, IN A PARTICULAR SITUATION. SINCE THIS INVOLVES AN ELEMENT OF JUDGEMENT

WE OCCASIONALLY HAVE A FEW DIFFERENCES WITH THE OFFSHORE SUPPLIES OFFICE. HOWEVER, WE DO OUR HOMEWORK WELL, AND I THINK THERE HAS ALWAYS BEEN MUTUAL RESPECT ON BOTH SIDES. WE APPRECIATE THE IMPORTANCE OF OUR CONTRIBUTING TO THE DEVELOPMENT OF A VIABLE BRITISH PETROLEUM SERVICE AND SUPPLY INDUSTRY, AND WE EXPECT TO DO OUR PART. IF THE INTERNATIONAL OIL INDUSTRY IS REQUIRED TO USE BRITISH SUPPLIERS WHO ARE NOT INTERNATIONALLY COMPETITIVE, THEN BRITAIN WILL LOSE THE LARGER LONG TERM INTERNATIONAL MARKET. THIS I BELIEVE, IS WELL RECOGNIZED BY THE OFFSHORE SUPPLIES OFFICE, BUT NOT BY ALL OF THE BRITISH COMPANIES WHO ARE ANXIOUS TO CASH IN ON THE NORTH SEA BUSINESS.

THE INTERNATIONAL MARKET PLACE IS HIGHLY COMPETITIVE, A FACT THAT THE BRITISH SHOULD KNOW BETTER THAN ANYONE ELSE, SINCE BRITAIN HAS ALWAYS BEEN ONE OF THE FOREMOST TRADING NATIONS. WE HAVE MANY BRITISH PRODUCTS IN USE IN OUR INTERNATIONAL OPERATIONS ALL OVER THE WORLD, BECAUSE THEY SUIT US BEST AS COMPARED WITH THE OTHER CHOICES TO US, WHICH DEMONSTRATES THE CONTINUING ABILITY OF THE BRITISH TO COMPETE SUCCESSFULLY WHEN THEY ARE DETERMINED TO DO SO.

NORTH SEA OIL IS PROVIDING CONSIDERABLE EMPLOYMENT IN BRITAIN FOR A WHOLE VARIETY OF OLD AND NEW SKILLS. UNTIL RECENTLY, A MAJORITY OF THE EXPERIENCED PEOPLE WERE ONLY AVAILABLE IN AREAS WHERE THE OIL INDUSTRY WAS LONG ESTABLISHED AND THEREFORE, INITIALLY, HAD TO BE RECRUITED FROM THOSE AREAS.

HOWEVER, WE BEGAN TRAINING BRITISH PEOPLE IN OIL INDUSTRY SKILLS ALMOST IMMEDIATELY, AND TODAY NINETY PERCENT OF OUR PERSONNEL ARE BRITISH, INCLUDING SOME OF THE TOP EXECUTIVES. AT OUR FLOTTA TERMINAL WE HAVE NO AMERICAN EMPLOYEES. IT IS ALSO AN INTERESTING POINT TO MAKE THAT IN LIBYA, WHERE WE ARE THE LARGEST SINGLE PRODUCER OF OIL, WE EMPLOY MORE BRITISH THAN ALL OTHER EXPATRIATES

TOGETHER. AS MENTIONED EARLIER, ALL OF OUR GOOD WORK HAS BEEN CONDITIONED BY THE EXCELLENT RELATIONSHIP WE HAVE HAD WITH LOCAL AND CENTRAL GOVERNMENT. THIS HAS NOW SPREAD TO THE FIFTH ROUND AGREEMENT, WHERE WE RECENTLY BROUGHT IN OUR FIRST WELL ON BLOCK 14 18 AND WHERE WE ARE NOW DRILLING A SECOND WELL.

YOU WILL PROBABLY HAVE READ SOMETHING IN THE PAPERS ABOUT THIS NEW DISCOVERY, BUT YOU ARE MORE LIKELY TO HAVE READ ABOUT COMMENTS MADE BY ONE OF OUR MORE SENIOR PEOPLE HERE IN EUROPE ON THE SUBJECT OF THE BRITISH NATIONAL OIL CORPORATION, VIEWS THAT ARE NOT SHARED BY THE TOP MANAGEMENT OF OUR COMPANY. YOU KNOW, THE OIL BUSINESS ALL OVER THE WORLD - LIKE THE OLD BRITISH EMPIRE - WAS BUILT BY SOME PRETTY TOUGH, INDEPENDENT-MINDED PEOPLE. YOU DON'T FIND OIL IN SUCH INCONVENIENT PLACES AS THE LIBYAN DESERT, THE NORTH SLOPE OF ALASKA, THE AMAZON JUNGLE OR THE NORTH SEA BY BEING ANYTHING ELSE. AND WHEN STRONG CHARACTERS LIKE THIS DELIVER AN OPINION, YOU ARE NOT USUALLY LEFT IN DOUBT AS TO WHAT IT IS. IT'S SOMETIMES INCONVENIENT FOR THOSE OF US IN MANAGEMENT, IF THEY SAY SOMETHING IN PRIVATE WITH WHICH WE DON'T AGREE, AND IT BECOMES PUBLIC, BUT THESE ARE STILL THE KIND OF PEOPLE WE WANT AND NEED TO FIND AND DEVELOP OUR OIL.

BUT LET ME SPEND A FEW MOMENTS ON THIS SUBJECT OF THE BRITISH NATIONAL OIL CORPORATION ... PERHAPS TO PUT THE RECORD STRAIGHT.

BRITAIN, LIKE MANY OTHER COUNTRIES, HAS CHOSEN TO CREATE A NATIONAL OIL COMPANY TO FURTHER THE NATIONAL INTEREST IN THE DEVELOPMENT AND USE OF ITS OIL RESERVES. THIS IS A SITUATION WE ARE USED TO. SOMETIMES IT CREATES PROBLEMS, SOMETIMES NOT. FORTUNATELY,

IN THE CASE OF BNOC, A MAN WITH OUTSTANDINGLY SUCCESSFUL PRIOR BUSINESS EXPERIENCE HAS BEEN CHOSEN TO LEAD THE CORPORATION ... LORD KEARTON.

IN A REMARKABLE SHORT SPACE OF TIME, BNOC HAS GROWN FROM AN IDEA TO A FUNCTIONING ORGANISATION WITH ALL THE SPECIAL SKILLS NECESSARY TO WORK IN THIS COMPLEX INDUSTRY. I THINK LORD KEARTON AND HIS PEOPLE HAVE DONE AN EXCELLENT JOB, AND BEARING IN MIND THE AMOUNT OF WORK THIS ORGANISATION IS EXPECTED TO UNDERTAKE, IT IS HARDLY SURPRISING THAT THERE HAVE BEEN OCCASIONAL MINOR DELAYS IN GETTING SOME ASPECTS OF THE JOB DONE.

CERTAINLY WE HAVE MINOR DIFFERENCES NOW AND AGAIN WITH BNOC - JUST AS WE DO FROM TIME TO TIME WITH OTHER GOVERNMENT BUREAUCRACIES WE WORK WITH IN VARIOUS PARTS OF THE WORLD, INCLUDING OUR OWN GOVERNMENT AGENCIES, SO IT'S HARDLY SURPRISING THAT THEY MIGHT OCCUR WITH BNOC. BUT NOTHING SERIOUS HAS EVER OCCURRED; WE RESOLVE OUR DIFFERENCES FACE TO FACE IN AN AMICABLE MANNER, AND WE THINK WE HAVE A FIRST-CLASS PROFESSIONAL AND PERSONAL WORKING RELATIONSHIP WITH THE BRITISH NATIONAL OIL CORPORATION.

I RECALL, TOO, THAT WE HAD SOME PRETTY TOUGH BARGAINING SESSIONS WITH MR. BENN AND DR. MABON ON THE SUBJECT OF PARTICIPATION, BUT WE THINK THAT WE'VE BEEN FAIRLY TREATED, AT THE SAME TIME THAT THE GOVERNMENT ACCOMPLISHED ITS OBJECTIVE. IN FACT, WE'RE NO WORSE OFF THAN WE WOULD HAVE BEEN WITHOUT AN AGREEMENT, JUST AS WE WERE PROMISED. OUR OIL IS SOLD TO BNOC AT FAIR INTERNATIONAL MARKET VALUES AND OUR RELATIONS WITH MR. BENN'S DEPARTMENT - WITH GOVERNMENT OFFICIALS AT ALL LEVELS - ARE CORDIAL AND PROFESSIONAL TO THE HIGHEST STANDARD, AND LINES OF COMMUNICATION ARE ALWAYS OPEN.

YOU KNOW, THE FOCUS OF PUBLIC AND PRESS ATTENTION IS ALWAYS ON THE SUCCESSFUL COMPANIES, LIKE OCCIDENTAL. WE ARE FORTUNATE TO HAVE BEEN THAT SUCCESSFUL AND WE ALWAYS TRY TO MAKE THE MOST OF OUR SUCCESSES, SINCE THEY HAVE TO PAY FOR OUR FAILURES - AND ALL OIL COMPANIES DRILL DRY HOLES. OTHER COMPANIES HAVE BEEN LESS FORTUNATE IN THE NORTH SEA. IF AN OVERALL VIEW WERE TO BE TAKEN OF THE NORTH SEA OIL INDUSTRY, SO THAT A REALISTIC ASSESSMENT OF INVESTMENT AND PROFITABILITY COULD BE MADE, ON AN INDUSTRY BASIS WE BELIEVE THIS WOULD DEFLATE, TOTALLY, MANY OF THE PROFITEERING CLAIMS THAT HAVE BEEN HEARD. OIL IS A HIGH RISK INDUSTRY AND THERE MUST BE THE INCENTIVE OF A PROFIT POTENTIAL COMMENSURATE WITH THE RISKS. WE BELIEVE THAT FURTHER INCENTIVES WILL BE NEEDED AND CAN BE MADE AVAILABLE IF THE FULL WEALTH OF THE BRITISH CONTINENTAL SHELF IS TO BE REALIZED. THIS IS A JOB THAT WILL BE DONE BEST IF A LARGE NUMBER OF COMPANIES AND THEIR VARIED IDEAS ON WHERE THE OIL CAN BE FOUND ARE KEPT INTERESTED IN THE GAME. THIS WILL ENSURE THAT BRITAIN CONTINUES TO COMMAND A GOODLY SHARE OF THE OIL INDUSTRY'S TALENT, EXPERIENCE, AND MONEY RESOURCES. THE NORTH SEA AND THE REST OF BRITISH CONTINENTAL SHELF IS NO PICNIC GROUND AND NO EASY FORTUNES WILL BE MADE THERE. BUT WITH PROPER INCENTIVES, A CHANCE, EVEN AGAINST THE ODDS, TO MAKE A COMMERCIAL PROFIT WILL KEEP THE COMPANIES TRYING.

OCCIDENTAL LOOKS FORWARD TO A LONG FUTURE IN BRITAIN. WE ARE LOOKING FOR ATTRACTIVE OPPORTUNITIES TO RE-INVEST AND TO USE SOME OF THE RESOURCES GAINED FROM OUR NORTH SEA INVESTMENTS TO THE FURTHER BENEFIT OF BOTH BRITAIN AND OUR STOCKHOLDERS. OUR SUCCESS IS YET ANOTHER SYMBOL OF THE STRENGTH OF THE RELATIONSHIP BETWEEN THE BRITISH AND AMERICAN PEOPLES.

I KNOW THAT MY SUBJECT TODAY WOULD BEST BE LIMITED TO OUR INVOLVEMENT IN THE U.K., BUT I WOULD LIKE TO SAY ONE OR TWO THINGS ABOUT RELATIONS WITH THE UNITED STATES, WITH OUR PRESIDENT AND WITH SOME OF OUR NEIGHBOURS TO THE EAST. AS ONE GROWS OLDER IT COMES AS A SURPRISE TO REMEMBER SOME OF THE PEOPLE ONE HAS KNOWN AND THE EVENTS ONE HAS BEEN INVOLVED IN. I WAS PRIVILEGED TO CALL FRANKLIN ROOSEVELT MY FRIEND AND ASSISTED HIM IN THE ORIGINAL DESTROYERS-FOR-BASES SWAP WITH BRITAIN IN THE DARKEST DAYS OF WORLD WAR II, DURING THE TIME OF THE NAZI SOVIET PACT. LAST YEAR, FOR THE BENEFIT OF THE QUEEN'S JUBILEE, I HAD THE HONOR OF HOSTING PRINCE CHARLES AND THE CHURCHILL FAMILY AT AN AFFAIR AT KNOEDLER GALLERY IN LONDON, WHICH I CONTROL, HONORING SIR WINSTON'S PAINTINGS. I DID NOT KNOW SIR WINSTON WELL, HAVING MET HIM ONLY A FEW TIMES, BUT I CAN RECALL HIS INDOMITABLE SPIRIT AND HIS ABILITY TO LEAD IN CRISES. THE TIES BETWEEN OUR TWO NATIONS WERE AS STRONG THEN AS HAS EVER BEEN BETWEEN TWO COUNTRIES IN THE WHOLE HISTORY OF THE WORLD. BACK TO BACK WE STOOD AGAINST INFAMY AND FASCISM AND WE TRIUMPHED. WE MUST CONTINUE TO STAND TOGETHER, THEN THE WORLD WILL STILL BE FREE.

THIS BRINGS ME TO TWO SUBJECTS WHICH I HAVE DEVOTED A GOOD PART OF MY LIFE - DETENTE BETWEEN THE EAST AND WEST AND THE ENERGY CRISIS, WITH THE POSSIBLE SOLUTIONS WHICH LIE IN STORE FOR US.

I HOLD THAT PEACE AND HARMONY AND PROSPERITY IN THE WORLD ARE NOT CREATED BY CONFERENCES OF LEADERS AND DIPLOMATS, SO MUCH AS THEY ARE PROMOTED BY DAY TO DAY CONTACTS AND COMMERCE AMONG THE PEOPLE AND INSTITUTIONS OF NATIONS. I BELIEVE WE BUSINESS MEN CAN CONTRIBUTE TO WORLD PEACE AND WELFARE BY ENGAGING IN COMMERCE WHICH IS PROFITABLE TO THE NATIONS INVOLVED. I HOPE I HAVE BEEN ABLE TO CONTRIBUTE NEW WAYS OF ACCOMPLISHING THAT PURPOSE. I WILL CONTINUE TO TRY. IT IS A GOAL WORTHY OF OUR JOINT ENDEAVOURS.

SOME PEOPLE HAVE CRITICIZED OUR COMPANY FOR DOING BUSINESS WITH THE SOVIETS. WE DO NOT BUY THEIR IDEOLOGY, BUT THERE IS NO REASON WHY WE CANNOT TRADE WITH EACH OTHER INSTEAD OF THREATENING EACH OTHER WITH ATOM BOMBS. WHAT DIFFERENCES DOES IT MAKE IF WE CAN DESTROY THEM 10 TIMES AND THEY CAN ONLY DESTROY US 5 TIMES. NEITHER ONE OF US WANTS TO BE DESTROYED EVEN ONCE.

I WOULD LIKE TO DIGRESS FOR A MOMENT AND EXPLAIN HOW I BECAME A PROPONENT OF DETENTE. WHILE I WAS A STUDENT AT COLUMBIA PROMEDICAL SCHOOL, MY FATHER, WHO WAS A PHYSISIAN WAS FACED WITH THE LOSS OF HIS LIFE TIME SAVINGS IN A SMALL PHARMACEUTICALCOMPANY, WHICH WAS ON THE WAY TO BANKRUPTCY. SINCE HE HAD SUFFERED FROM A HEART ATTACK, HE ASKED ME TO TAKE OVER THE RUNNING OF THE COMPANY, SAYING I COULD CONTINUE MY MEDICAL STUDIES IF I THOUGHTI COULD DO BOTH. BY ATTENDING TO THE BUSINESS IN THE DAY TIME AND STUDYING AT NIGHT I WAS ABLE TO DO THIS.

I GUESS I MUST HAVE HAD A FLAIP FOR BUSINESS, BECAUSE BY THE TIME I GRADUATED THE BUSINESS WAS WORTH SEVERAL MILLION DOLLARS. AND AT THE AGE OF TWENTY-THREE, I WAS PREPARING TO RETIRE, AND SELL MY BUSINESS TO MY EMPLOYEES.

I WASN'T TO BEGIN MY INTERNSHIP AT BELLEVUE HOSPITAL UNTIL JANUARY, 1922. I GOT MY DEGREE THE PREVIOUS JUNE, AND WHILE I WAS WONDERING WHAT TO DO DURING THOSE SIX MONTHS, I READ ABOUT THE GREAT FAMINE IN RUSSIA. I DECIDED THAT THIS WAS A GOOD PLACE FOR ME TO GO AND STUDY TYPHUS. I WAS INTERESTED IN BACTERIOLOGY AND IMMUNOLOGY.

IT WAS IMPOSSIBLE TO GET VISAS TO RUSSIA, SO I BOUGHT A COMPLETE FIELD HOSPITAL FROM THE WAR DEPARTMENT, LEFT OVER FROM WORLD WAR I, AND WITH THAT GIFT, THE RUSSIANS WELCOMED ME.

I WENT TO RUSSIA, AMONG THE FIRST FEW AMERICANS THERE AFTER THE REVOLUTION. WHEN I GOT TO MOSCOW, I FOUND THERE WAS SOME CONFUSION. THE MINISTER OF HEALTH WAS OUT OF THE CITY. AND WHILE I WAS WAITING TO BE ASSIGNED TO THE AREA WHERE MY HOSPITAL WAS TO BE LOCATED, I WAS INVITED TO GO WITH A SOVIET GROUP OF ENGINEERS ON A TRIP THROUGH THE URAL DISTRICT AND SEE THE CONDITON OF THE INDUSTRIAL SECTION THERE. IT WAS A DEPLORABLE SIGHT. THE REVOLUTION HAD WROUGHT HAVOC, ALMOST EVERYTHING HAD BEEN DESTROYED OR STOOD IDLE.

I WENT ALONG ON A SPECIAL TRAIN. WE PASSED THROUGH THE VOLGA AREA AND WE SAW THE REFUGEES FLEEING FROM THE FAMINE. I THOUGHT I'D BEEN STEELED TO HUMAN SUFFERING - I'D EXPERIENCED IN THE HOSPITALS OF NEW YORK AND IN THE DISSECTING ROOM - BUT THE SIGHTS I SAW ON THAT TRIP WERE SOMETHING THAT I NEVER HOPE TO WITNESS AGAIN.

THOUSANDS AND THOUSANDS OF PEOPLE WERE FLEEING WITHOUT FOOD. TRAIN LOADS OF PEOPLE WERE ARRIVING AT EACH STATION, AND DEAD WERE BEING CARRIED OUT FROM THE TRAINS. ALL NIGHT LONG WE'D HEAR THE WAILING AND CRYING OF LITTLE CHILDREN, BEGGING FOR A CRUST OF BREAD. FINALLY, WHEN I COULD STAND IT NO LONGER, I SAID TO THE OFFICIALS, "WHY DON'T YOU BUY GRAIN FROM AMERICA " WE'D HAD A BUMPER CROP THAT YEAR. GRAIN HAD FALLEN BELOW A DOLLAR A BUSHEL. AND WHEN GRAIN GETS BELOW A DOLLAR A BUSHEL, THE FARMERS PREFER TO BURN IT RATHER THAN TAKE IT TO MARKET.

THEY SAID, "THE REVOLUTION IS JUST OVER, WE'RE NOT RECOGNISED WE HAVE NO REPRESENTATION IN AMERICA " WE HAVE A LITTLE GOLD, WE'RE AFRAID IT WILL BE CONFISCATED. " I SAID, "HOW MUCH GRAIN DO YOU NEED TO SAVE THE POPULATION OF THE URAL DISTRICT UNTIL THE NEXT HARVEST " THEY SAID A MILLION BUSHELS WOULD DO IT. WELL, I SAID, "I HAVE A MILLION DOLLARS I'LL BUY A MILLION BUSHELS. I'LL SEND IT OVER ON CREDIT, IF EACH SHIP THAT BRINGS GRAIN YOU LOAD WITH SOMETHING I CAN SELL IN AMERICA TO REPAY THE CREDIT."

THE CONTRACT WAS SIGNED AND THE FIRST HELP CAME TO RUSSIA DURING THOSE TERRIBLE YEARS. FROM AN UNNOTICED DOCTOR, I BECAME A HERO TO THE PEOPLE OF RUSSIA. LENIN SENT FOR ME. I MET THAT GREAT LEADER AND IMMEDIATELY STRUCK UP A WARM FRIENDSHIP.

HE SAID, "DR. HAMMER, WE DON'T NEED DOCTORS. WE NEED BUSINESS PEOPLE, WE NEED PEOPLE SUCH AS YOU, WHO CAN DO THINGS. COMMUNISM'S NOT WORKING. WE'RE CHANGING TO A NEW ECONOMIC POLICY. WE'RE GOING TO ENCOURAGE FOREIGNERS TO COME INTO OUR COUNTRY AND TAKE CONCESSIONS. WHY DON'T YOU BE THE FIRST FOREIGN CONCESSIONAIRE "

I WAS CAPTIVATED BY LENIN'S PERSONALITY AND I AGREED, AND I BECAME THE FIRST CONCESSIONAIRE IN RUSSIA. HE AWARDED ME A MINING CONCESSION AND A TRADING CONCESSION. I WENT TO DETROIT AND I MET HENRY FORD, SR., AND I GOT THE AGENCY FOR FORD CARS AND TRACTORS FOR THE WHOLE OF RUSSIA. I REPRESENTED THIRTY-SEVEN OTHER AMERICAN COMPANIES. I HAD TO EXPORT FROM RUSSIA AS MUCH AS I IMPORTED. I HAD FUR-TRADING STATIONS ALL OVER RUSSIA, AND WITHIN A FEW YEARS PRACTICALLY ALL THE TRADE BETWEEN RUSSIA AND THE UNITED STATES WAS GOING THROUGH MY HANDS.

WELL, YOU CAN SEE THAT IN THAT ATMOSPHERE I FORGOT ABOUT MY MEDICAL CAREER. I SAW A GREAT BUSINESS OPPORTUNITY AND HAVING INHERITED SOME OF MY FATHER'S HUMANITARIANISM, I HAD GREAT VISIONS THAT I COULD BE OF MORE SERVICE TO HUMANITY AS A BUSINESSMAN AND HOPEFULLY BRING ABOUT BETTER RELATIONS BETWEEN RUSSIA AND MY OWN COUNTRY.

I STAYED IN RUSSIA NINE YEARS, AND THEN I SOLD OUT - COULDN'T DO BUSINESS WITH STALIN. LENIN HAD DIED AND I'D LOST MY FRIEND. I GOT PERMISSION TO SHIP SOME WORKS OF ART OUT OF THE COUNTRY AS PART OF THE SALES CONTRACT, AND THIS FORMED THE BEGINNING OF THE HAMMER GALLERIES, WHICH LATER MERGED WITH THE KNOEDLER GALLERY.

AFTER THAT, I BECAME INVOLVED IN THE WORLD OF VARIOUS BUSINESSES. FOR MANY YEARS, MY BROTHER AND I WERE THE OWNERS OF THE J.W. DANT WHISKY COMPANY, WHICH I BUILT FROM A SMALL UNKNOWN BRAND DOING 20,000 CASES A YEAR TO THE NUMBER ONE KENTUCKY BOURBON IN AMERICA, SELLING 3 MILLION CASES A YEAR. I SOLD OUT TO SCHENLEY AND DECIDED TO RETIRE AND MOVE TO CALIFORNIA.

I WAS CLOSE TO 60 AT THE TIME. SOMEONE TOLD ME ABOUT THE TAX ADVANTAGES OF DRILLING FOR OIL. MY WIFE AND I INVESTED WITH OCCIDENTAL PETROLEUM AND WERE TOLD IF WE HAD DRY HOLES WE COULD WRITE OFF THE AMOUNT AGAINST OUR INCOME TAX. BUT WITH BEGINNER'S LUCK, THE FIRST TWO WELLS WE DRILLED TURNED OUT TO BE GUSHERS.

OCCIDENTAL PETROLEUM CORPORATION, WAS A SMALL FLOUNDERING OIL COMPANY WITH THREE EMPLOYEES AND NET ASSETS OF ABOUT \$38,000. TODAY THAT COMPANY - IS THE 26TH LARGEST CORPORATION IN THE UNITED STATES WITH A NEW WORTH OF ONE AND A HALF BILLION DOLLARS AND REVENUES THIS PAST YEAR IN EXCESS OF SIX BILLION DOLLARS.

I NEVER DID GET TO PRACTICE MEDICINE, ALTHOUGH I STILL KEEP UP MY INTEREST AND MY LICENSE.

ON ONE OCCASION I HAD THE CHANCE TO PRACTICE MEDICINE. IT OCCURRED ON A PAN AMERICAN FLIGHT OUT OF EUROPE TEN OR MORE YEARS AGO WHEN THE CALL WENT UP: "IS THERE A DOCTOR ON THE PLANE "

I STARTED TO RAISE MY HAND, BUT MY WIFE SAID: "ARMAND, BE CAREFUL, THEY'LL SUE FOR MALPRACTICE."

TOO LATE. THE PURSER HAD NOTICED AND I WAS TAKEN TO THE AFTER SECTION WHERE A GENTLEMAN HAD A SEVERE STOMACH UPSET. I DIAGNOSED IT AS SUCH, NOT AS A HEART ATTACK AND RETURNED TO MY SEAT. I PROUDLY INFORMED BY WIFE, FRANCES, WHO RESPONDED: "YOU'D BETTER CALL YOUR LAWYER AS SOON AS WE LAND."

FORTUNATELY, THE PATIENT DID ONLY HAVE A STOMACH ACHE, SO MY BATTING AVERAGE AS A PHYSICIAN IS 1000.

DURING ONE OF MY MEETINGS WITH LENIN, HE OFFERED ME ANY ONE CONCESSION IN THE SOVIET UNION THAT I WOULD LIKE. I SAID I WOULD LIKE PENCIL CONCESSION. HE CONSIDERED THIS STRANGE AND ASKED WHY. I SAID, "WELL, YOU SAY YOU ARE GOING TO TEACH THE PEOPLE TO READ AND WRITE, AND YOU HAVE NO PENCILS, I BOUGHT A PENCIL YESTERDAY AND IT COST THE EQUIVALENT OF 50 CENTS."

THE CONCESSION WAS KNOWN AS THE A. HAMMER PENCIL FACTORY, AND WE IMPORTED THE MACHINERY AND MASTERS FROM GERMANY. WITHIN LESS THAN A YEAR WE BUILT A FACTORY IN MOSCOW, CAPABLE OF PRODUCING ALL THE PENCILS RUSSIA NEEDED AND AS GOOD AS THOSE PREVIOUSLY IMPORTED. WE EVEN EXPORTED PENCILS TO ENGLAND. I REMEMBER WE HAD OUR PREMISES AT HIGH HOLBORN WITH A HUGE PENCIL ACROSS THE FRONT OF THE BUILDING.

WHEN WE FINALLY LEFT RUSSIA IN THE LATE 1920'S
THE COMPANY WAS RENAMED THE SACCO AND VANZETTI
PENCIL COMPANY, AND IT STILL EXISTS TODAY UNDER THAT NAME.

IN 1961, PRESIDENT KENNEDY SENT ME ON A MISSION
TO MEET KHRUSHCHEV DIRECTLY AFTER HIS INAUGURAL. I HAD NOT BEEN
IN RUSSIA DURING THE INTERVENING YEARS.

ATTEMPTING TO SEE KHRUSHCHEV WAS CONSIDERED IMPOSSIBLE,
BUT I ASKED OUR EMBASSY PERSONNEL TO DELIVER A HAND-WRITTEN NOTE
TO MIKOYAN. WHOM I HAD KNOWN WHEN I FIRST WENT TO RUSSIA. WITHIN
SEVERAL HOURS, I FOUND MYSELF MEETING KHRUSHCHEV AND MIKOYAN,
CONVEYING THE PRESIDENT'S MESSAGE ENVISIONING WHAT WE NOW CALL
DETENTE-THROUGH-TRADE. UNFORTUNATELY, THE COLD WAR WAS STILL AT
IT HEIGHT AND HE STATED THAT TRADE DEALS WITH THE UNITED STATES COULD
NOT DEVELOP OVERNIGHT. KHRUSHCHEV DID ASK ME TO BEGIN A BILLION
DOLLAR FERTILIZER CONSTRUCTION DEAL USING BRITISH CREDITS AND EQUIP-
MENT. BUT BY THE TIME THAT WAS UNDERWAY, HE HAD BEEN REPLACED.

I CITE THE PENCIL STORY ONLY BECAUSE IT LEADS INTO ONE
OTHER ASPECT OF DETENTE.

A FEW YEARS AGO I WAS PRESENT IN MOSCOW WHEN BREZHNEV TOLD
THE MEMBERS OF THE US-USSR TRADE AND ECONOMIC COUNCIL AT A BANQUET
HE GAVE "WHEN I WAS A STUDENT I LEARNED TO WRITE WITH A HAMMER.
PENCIL, NOW WE MAKE AUTOMATIC PENCILS AND BALL POINT PENS. IT WAS
ONLY A JEST OF COURSE BUT IT SUMMED UP THE ASTOUNDING TRANSFORMATION
OF RUSSIA IN THE YEARS BETWEEN.

NOW, WE HAVE COME TO THE VERY BRINK OF ANOTHER COLD WAR, BUT I BELIEVE THERE IS STILL A CHANCE FOR A REAL, LASTING RELATIONSHIP BETWEEN THE EAST AND THE WEST.

WE ARE TRULY ONE WORLD NOW, A GLOBE CONDENSED BY THE RAPIDITY OF COMMUNICATION AND TRANSPORTATION INTO A RATHER SMALL PLACE WHEN ONE THINKS OF THE SPEED OF MISSILES AND JET PLANES. IF WE DO NOT RECOGNIZE THIS AND BEGIN TO WORK TOGETHER, WE WILL FACE HORRORS FAR GREATER THAN THE SUFFERING INFLICTED BY WORLD WAR II OR ANY OF THE WARS THAT HAVE FOLLOWED IT.

I BELIEVE THAT TRADE IS ONE OF THE BASIC COMMON DENOMINATORS OF COMMUNICATION. WE BUSINESSMEN MUST LEAVE TO THE STATESMEN THE ENORMOUS AND DELICATE PROBLEMS OF NUCLEAR PROLIFERATION AND MIDDLE EAST PEACE SETTLEMENTS. BUT IN OUR OWN WAY, I HOPE THAT WE ARE ABLE TO ASSIST THE STATESMEN BY ESTABLISHING OTHER BONDS OF MUTUAL INTEREST.

ONE WISE OLD AMERICAN STATESMAN, BENJAMIN FRANKLIN, INITIATING TRADE TREATIES WITH EUROPEAN NATIONS DURING THE FOUNDING OF OUR COUNTRY - SAID: "TRADING PARTNERS DO NOT MAKE WAR."

WITH SOME EXCEPTIONS, THAT WISDOM HAS PROVEN TRUE OVER THE PAST TWO CENTURIES.

I BELIEVE THAT THE TRADE ALREADY INAUGURATED BETWEEN THE COUNTRIES OF THE EAST AND WEST HAS HELPED CREATE THE CLIMATE WHICH WILL PERMIT PRESIDENT CARTER AIDED BY OUR EUROPEAN ALLIES TO ACHIEVE BREAKTHROUGH IN THE SALT TALKS.

AS A CAPITALIST, BORN WITHOUT WEALTH, WHO LOOKS BACK ON THE EXPERIENCE OF 80 YEARS, I RECOGNIZE THAT OUR IDEOLOGY WILL NEVER BE COMPATIBLE WITH COMMUNISM. IT REMAINS FOR THE HISTORIANS OF THE 21ST CENTURY TO DETERMINE WHICH SYSTEM TRIUMPHED - OR IF THEY ACHIEVED SOME MUTUAL RELATIONSHIP PERMITTING BOTH TO EXIST, WITH THE COMMUNISTS BECOMING MORE CAPITALISTIC AS TIME WENT ON, WHILE WE BECOME MORE SOCIALISTIC. I USED TO SAY THAT THE DIFFERENCE BETWEEN A COMMUNIST AND A NON-COMMUNIST WAS \$1,000 NOW I SAY IT'S AN AUTOMOBILE. THERE ARE OVER A MILLION CARS A YEAR PRODUCED IN THE SOVIET UNION AND OVER HALF GO INTO PRIVATE HANDS. A CAR OWNER SEES HIMSELF IN A DIFFERENT CLASS THAN THE MAN WHO WALKS OR HAS TO USE THE METRO. HE IS A FERVENT BELIEVER IN PRIVATE PROPERTY.

THIS REMINDS ME OF A STORY PUBLISHED IN THE LITERARY GAZETTE IN MOSCOW. AN ADVERTISEMENT SAID AN EDUCATED, SINGLE, 37 YEAR OLD WOMAN WAS LOOKING FOR MALE COMPANIONSHIP - SOMEONE INTELLIGENT, DECENT, WHO APPRECIATED THE COMFORTS OF A HOME, WHO KNEW HOW TO DRIVE A CAR. SHE WAS SNOWED UNDER WITH REPLIES. ONE OF THEM, FROM A FYODOR FYODOROVICH, SAID, "I AM SENDING YOU A SNAPSHOT OF MYSELF AND I EAGERLY AWAIT A PHOTOGRAPH OF YOUR CAR."

TRADE IS THE AUTOMATIC LINCHPIN IN DRAWING THE SOVIET UNION MORE AND MORE INTO INTERACTION WITH THE WEST AND INTO IMPORTANT TRANSACTIONS WITH THE COMMUNITY OF ADVANCED INDUSTRIAL NATIONS.

I MENTIONED THE FAMINE IN THE URALS SEVERAL MINUTES AGO. I WISH NOW TO TURN TO ANOTHER FAMINE WHICH FACES THE UNITED STATES AND MANY COUNTRIES IN THE FREE WORLD - THE FAMINE OF ENERGY, FOR MAKE NO MISTAKE, PRESIDENT CARTER IS CORRECT WHEN HE STATES THAT AMERICA IS ON THE BRINK OF AN ENERGY CRISIS. WE ARE IMPORTING

45 BILLION DOLLARS A YEAR OF OIL AND RUNNING A TRADE DEFICIT OF APPROXIMATELY 30 BILLION DOLLARS. UNLESS WE CAN FIND A WAY TO STOP THIS IMBALANCE IN TRADE THE DOLLAR WILL CONTINUE TO SLIDE UNTIL THERE IS A TOTAL COLLAPSE. IF THAT HAPPENS I CAN FORSEE A WORLD WIDE RECESSION. THE U.K. MAY WELL BE BETTER OFF THAN OTHER EUROPEAN COUNTRIES BECAUSE OF NORTH SEA OIL, BUT SOONER OR LATER IT TOO WOULD BE AFFECTED BY A WORLD RECESSION.

I AM AN ARDENT SUPPORTER OF OUR PRESIDENT. LONG BEFORE JIMMY CARTER BECAME A CLEAR DEMOCRATIC CHOICE, MY WIFE AND I SUPPORTED HIM AS A RESULT OF A DINNER DISCUSSION WE HAD, SEATED NEXT TO HIM. WE CAME AWAY WARM SUPPORTERS AND ALTHOUGH I RECOGNIZE THAT HE IS NOW BELEAGUERED AND UNDER GREAT PRESSURES, I STILL CONTINUE TO BELIEVE THAT HE IS THE RIGHT MAN AT THE RIGHT TIME IN THE HISTORY OF OUR COUNTRY, AND THE FREE WORLD.

WE ARE TIED TO THE PIPELINES OF THE OPEC PRODUCERS. ONE CAN ARGUE THE RIGHTS AND WRONGS OF THE OPEC NATIONS HAVING THIS POWER OVER THE LEADING COUNTRY IN THE FREE WORLD, BUT THAT IS ONLY FOR DISCUSSION, BECAUSE REALITY - THE PLAIN AND SIMPLE FACTS - ARE THAT WE, AS AN AFFLUENT SOCIETY, AS ONE WHICH HAS CREATED AND LEAD IN THE DEVELOPMENT OF TECHNOLOGY, HAVE ALSO ALLOWED OURSELVES TO BECOME DEPENDENT ON A HANDFUL OF OPEC NATIONS.

PRESIDENT CARTER SEEKS TO FIND THAT SOLUTION. HE SEEKS TO ACCOMPLISH IT IN THE PULPIT OF DEMOCRACY, THE CONGRESS OF THE UNITED STATES, AND HE IS WINNING SOME AND LOSING SOME IN THAT ARENA.

I AM SURE THAT HIS LOSSES COME AS NO MORE OF A SURPRISE TO HIM THAN HIS TRIUMPHS, FOR HE IS A PRAGMATIC MAN AS WELL AS BRILLIANT AND EMPATHETIC. BUT HE DESERVES ENORMOUS CREDIT FOR HAVING CONFRONTED US WITH REALITY AND FOR URGING THAT CONGRESS PASS AN ACCEPTABLE ENERGY BILL WITHOUT FURTHER DELAY. NEXT YEAR AND THE YEAR AFTER THE PRESIDENT WILL COME BACK INTO THE CONGRESS WITH OTHER RECOMMENDATIONS.

NEW NATIONAL SECURITY STUDIES - MENTIONED IN THE PRESS, BUT NOT YET RELEASED BY THE GOVERNMENT - SHOW THAT ANOTHER OIL EMBARGO SUCH AS THAT OF 1973 IS A DISTINCT POSSIBILITY, WHETHER IT BE BY ECONOMIC AND POLITICAL FEAT OR BY SABOTAGE FROM SOME RADICAL ELEMENT.

IMAGINE WHAT THIS WOULD MEAN - OIL RISING IMMEDIATELY TO \$25 AND MORE A BARREL, LACK OF SUPPLY, SOME NATIONS CONSIDERING WAR WITH OTHERS SIMPLY TO GET ENOUGH OIL TO KEEP THE LIGHTS ON AND THE ECONOMY WORKING.

FORTUNATELY, IF WE BAND TOGETHER WE HAVE THE ABILITY TO ACHIEVE A SECURE FORM OF ENERGY.

BY THE YEAR 2000, SOME SCIENTISTS BELIEVE WE WILL HAVE NUCLEAR POWER, SOLAR POWER, GEOTHERMAL POWER, AND WE WILL HAVE BEEN ABLE TO ADJUST SEGMENTS OF OUR SOCIETY TO ITS UTILIZATION.

IN THE MEANTIME, DESPITE CERTAIN ENVIRONMENTAL PROBLEMS, WE MUST USE OUR GREATEST NATURAL RESERVE - COAL - AND ENCOURAGE THE DISCOVERY AND DEVELOPMENT OF NEW FIELDS OF OIL AND NATURAL GAS THROUGHOUT THE FREE WORLD.

OUR PROBLEM IS BOTH SIMPLE AND COMPLEX. THE FREE WORLD MOVES ON OIL AND ITS DERIVATIVES. OUR CARS, OUR TRUCKS, OUR AIRPLANES ALL REQUIRE OIL, GASOLINE, KEROSENE, DIESEL FUEL, JET FUEL.

IN ADDITION TO DEVELOPING THE NORTH SEA AND ALL OTHER POTENTIAL AREAS OF THE FREE WORLD TO THE FULLEST EXTENT POSSIBLE THROUGH FURTHER EXPLORATION AND DEVELOPMENT, I BELIEVE WE SHOULD FIRST DEVELOP FULLY OUR COAL RESERVES IN EUROPE AND THE U.S. THIS COULD PROVIDE ALTERNATIVES FOR ABOUT 50 PERCENT OF OUR DEPENDENCE ON OPEC OIL.

ANOTHER SOURCE OF IMMEDIATE ENERGY IS SHALE OIL.

THE SHALE OIL OF WHICH I SPEAK IS LOCATED IN THREE STATES - COLORADO, UTAH AND WYOMING - WHICH CONTAIN 2 AND A HALF TIMES THE TOTAL OIL NEEDS OF THE FREE WORLD. THERE IS ENOUGH OIL IN THESE THREE STATES TO TAKE CARE OF THE TOTAL REQUIREMENTS OF THE U.S. AND THE FREE WORLD FOR PERHAPS A HUNDRED YEARS.

I AM PLEASED TO BE ABLE TO TELL YOU THAT OCCIDENTAL LEADS IN THE DEVELOPMENT OF AN ENVIRONMENTALLY ACCEPTABLE PROCESS WHICH WE BELIEVE CAN PRODUCE OIL FROM SHALE AT PRICES COMPETITIVE WITH TODAY'S OPEC PRICES, DELIVERABLE INTO U.S. MARKETS READY FOR BURNING BY UTILITIES, READY FOR USE IN AIRPLANES AND READY FOR SUBSTITUTUE USE FOR OIL IN ANY OF THE OTHER MAIN AREAS WHERE THIS LIFELINE IS NEEDED.

OCCIDENTAL BEGAN ITS DEVELOPMENT OF OUR 'IN SITU' PROCESS SIX YEARS AGO, AND HAS EXPENDED TO DATE OVER 60 MILLION DOLLARS IN RESEARCH AND DEVELOPMENT.

OTHERS WISHED TO USE AN ABOVEGROUND PROCESS, ESSENTIALLY A STRIP-MINING CONCEPT, WHERE THE SHALE ROCK CONTAINING THE OIL IS MINED, BURNED IN A HUGE RETORT AND THEN DUMPED.

OCCIDENTAL'S SCIENTISTS WENT A DIFFERENT ROUTE - TOTALLY UNDERGROUND - WITH NO MAJOR DISRUPTIONS TO THE LANDSCAPE. I WILL NOT GET INTO THE TECHNICALITIES OF THE ENGINEERING PROCESS, BUT WILL DESCRIBE IT SIMPLY. WE MINE LARGE 125 FOOT SQUARE CAVERNS, 250 FEET DEEP - CALLED RETORTS - DEEP INSIDE THE MOUNTAINS. WE FRACTURE THE ROCK WITH ORDINARY EXPLOSIVES USING A PATENTED PROCESS. WE THEN IGNITE THE 'RETORT' AT THE TOP AND THE HEAT BURNS THE OIL OUT OF THE ROCK, DEPOSITS IT AT A SUMP AT THE BOTTOM AND WE PIPE IT OUT. SIMPLE.

YET, VERY COMPLEX. SCIENTISTS HAVE TRIED TO DO IT FOR THREE QUARTERS OF A CENTURY AND FAILED. BUT WE BELIEVE WE HAVE DONE IT ... AND DONE IT WITH ECONOMICS WHICH WE BELIEVE WILL GIVE AMERICA A SECURE SOURCE OF OIL IN THE NEAR FUTURE, WHEN WE NEED IT. NOT IN THE YEAR 2000 WHEN IT IS HOPED NUCLEAR, SOLAR AND GEOTHERMAL WILL BE THE MAGIC WORDS.

OUR DETAILED DEVELOPMENT PLANS WERE RECENTLY APPROVED BY THE DEPARTMENT OF THE INTERIOR AND JUST A FEW MONTHS AGO THE ENERGY RESOURCE AND DEVELOPMENT AGENCY MADE US A GRANT OF 60 MILLION DOLLARS FOR FURTHER RESEARCH SO THAT THEY COULD OBSERVE OUR TECHNOLOGY AND SEE IT TESTED ON A CLUSTER OF RETORTS.

WE HAVE OFFERED THIS PATENTED PROCESS TO THE GOVERNMENT AT NO COST FOR NATIONAL DEFENSE PURPOSES AND HAVE OFFERED IT TO INDUSTRY FOR A MODEST LICENSING FEE, FOR WE BELIEVE THAT WE HAVE MADE A BREAKTHROUGH SO IMPORTANT THAT NO ONE COMPANY SHOULD KEEP IT TO ITSELF. WE HAVE ALREADY BEGUN CONSTRUCTION TOGETHER WITH ASHLAND OIL ON A 5000 ACRE TRACT WHICH CONTAINS ONE BILLION BARRELS OF RECOVERABLE OIL AND OUR TWO COMPANIES HAVE SIGNED AN AGREEMENT LEADING TO AN INVESTMENT OF 600 MILLION DOLLARS TO DEVELOP A 57,000 BARREL PER DAY PLANT WHICH WE EXPECT TO COME ONSTREAM IN 1983.

WE HAVE ALSO SUGGESTED TO THE GOVERNMENT THAT IF IT WISHES TO ACCELERATE DEVELOPMENT OF A SHALE OIL INDUSTRY IT CAN UNDERTAKE SOMETHING SIMILAR TO FRANKLIN ROOSEVELT'S SYNTHETIC RUBBER PROJECT OF 1941 WHICH PROVIDED THE UNITED STATES WITH A SECURE SOURCE OF RUBBER FOR THE WAR EFFORT WHEN WE WERE IN THE DARKEST DAYS AFTER LOSING SUPPLIES FROM THE SOUTH PACIFIC.

FOR ME IT IS A FASCINATING UNDERTAKING, GRATIFYING BECAUSE NOW AT THIS TIME IN OUR NATION'S NEEDS WE BELIEVE WE CAN OFFER A SOLUTION TO A CRISIS, GRATIFYING BECAUSE THIS IS THE WAY A MAJOR AMERICAN COMPANY SHOULD OPERATE, FINDING A SOLUTION TO A CRITICAL PROBLEM - RISKING ITS OWN FUNDS ON THE FRONTIER OF A TECHNOLOGY - BUT OFFERING IT BACK TO THE GOVERNMENT FOR NATIONAL DEFENSE.

YOU WILL HEAR MUCH MORE ABOUT THIS IN THE IMMEDIATE MONTHS AHEAD. REMEMBER WE CANNOT DRILL A DRY HOLE. WE KNOW THE OIL IS THERE - TWO BILLION BARRELS OF IT. IF WE CAN PUT A MAN ON THE MOON AND BUILD THE MANHATTAN PROJECT, WE CAN DEVELOP THE TECHNICAL KNOW HOW TO PRODUCE THIS SHALE OIL IN AN ECONOMIC AND ACCEPTABLE ENVIRONMENTAL MANNER.

CONCLUDING MY REMARKS, I WILL REACH BACK INTO THE NOTES OF WINSTON CHURCHILL, WHO SAID TWO THINGS APPROPRIATE TO THIS MEETING TODAY.

COMMENTING ON INVESTMENT, HE SAID "THERE IS NO FINER INVESTMENT FOR ANY COMMUNITY THAN PUTTING MILK INTO BABIES."

AS I LOOK ROUND THIS ROOM TODAY, I SEE MANY MEN AND WOMEN WHO HAVE USED THEIR ABILITIES TO STIMULATE INVESTMENTS WHICH HAVE HELPED THEIR COMMUNITIES TO DO JUST THAT AND I CONGRATULATE YOU FOR IT.

AND MR. CHURCHILL ALSO SAID:

"THE BRITISH EMPIRE AND THE UNITED STATES WILL HAVE TO BE SOMEWHAT MIXED UP TOGETHER IN SOME OF THEIR AFFAIRS FOR THE MUTUAL AND GENERAL ADVANTAGE. FOR MY OWN PART, LOOKING OUT ON THE FUTURE I DO NOT VIEW THE PROCEEDINGS WITH MISGIVINGS. I COULD NOT STOP IT IF I WISHED ... NO ONE CAN STOP IT. LIKE THE MISSISSIPPI, IT JUST KEEPS ROLLING ALONG. LET IT ROLL. LET IT ROLL ON FULL FLOOD, INEXORABLE, IRRESISTIBLE AND BENIGN TO BROADER LANDS AND BETTER DAYS."

LORD MAYOR, MY LORDS, LADIES AND GENTLEMEN, I SEE THOSE BETTER DAYS BEFORE US AND I AM PRIVILEGED TO HAVE THE OPPORTUNITY TO SHARE THEM WITH YOU.

BEFORE I CLOSE, IT IS MY PLEASURE TO PRESENT TO AIR
COMMODORE SIR PETER VANNECK, LORD MAYOR OF LONDON, A SYMBOL OF
THE INTERNATIONAL CO-OPERATION AND TRADE ABOUT WHICH I HAVE BEEN
TALKING - ONE OF THE FIRST SETS OF SILVER COINS COMMEMORATING THE
1980 OLYMPIC GAMES IN MOSCOW. THESE ARE THE FIRST SILVER
ROUBLES TO BE MINTED SINCE 1924.

THE SET INCLUDES TWO TEN ROUBLE COINS, FOUR FIVE ROUBLE
COINS. THE COINS ALL DEPICT DIFFERENT ASPECTS OF THE MOSCOW
OLYMPICS.

OCCIDENTAL PETROLEUM CORPORATION IN CONJUNCTION WITH LAZARD
FRERE HAS THE EXCLUSIVE AGREEMENT WITH THE STATE BANK OF THE USSR
TO DISTRIBUTE AND MARKET THE 1980 OLYMPIC COINS WORLD WIDE OUTSIDE
THE USSR AND THE OTHER SOCIALIST NATIONS. A PER CENTAGE OF THE
SALES PROCEEDS IN A PARTICULAR COUNTRY WILL BE GIVEN TO THAT
COUNTRY'S OLYMPIC COMMITTEE. IN THIS WAY SUPPORT WILL BE GIVEN
TO COUNTRIES ENTERING THE GAMES, HELPING STRENGTHEN THE GREATEST
SYMBOL OF INTERNATIONAL UNDERSTANDING AND COMMUNICATION IN THE
WORLD TODAY.

THANK YOU VERY MUCH.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

EYES ONLY

May 15, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*

Subject: Housing Starts and Industrial Production in April

Tomorrow (Tuesday, May 16), figures will be released on industrial production (at 9:30 A. M.) and on housing starts (at 2:30 p. m.) in April. The news is good, and provides yet another confirmation of a strong rebound of economic activity in the second quarter.

Housing Starts

New housing starts rose 6 percent further in April to an annual rate of 2,189 thousand. (Starts in March increased more than 30 percent). April starts were back to the levels of late 1977 so that housing starts have now recovered fully from the January-February slump.

The April improvement in housing activity, although relatively small, was widespread. Starts were up in every region except the South (where a 50 percent rise had occurred in March); they were up for both single-family and multi-family units, and there was a rise in residential building permits as well as starts.

New starts over the next couple of months may continue to be buoyed by the efforts of builders to make up for first-quarter losses. But starts are likely to begin tailing off relatively soon thereafter as a result of the rise in interest rates over the past year.

Industrial Production

The Federal Reserve Board's index of industrial production increased strongly again in April -- by 1.1 percent. The March rise was 1.3 percent. About one-fourth of the April rise was due to a further increase of coal production after the strike settlement.

The April increase in industrial production was broadly based -- output of consumer goods (especially autos), business equipment, and industrial material for further use (such as steel) were all up strongly. And the increase of .8 percent or so in the total excluding coal production is a very healthy gain.

These developments in housing and industrial production are consistent with our view that the economy is rebounding very strongly in the second quarter, and that we will probably see a rise of real GNP at an 8 to 10 percent annual rate this quarter. We do not believe the current economic statistics are signalling a degree of strength in the economy greater than what we have been forecasting. It still appears to us that real GNP growth over the four quarters of this year will be in the 4 to 4-1/2 percent range -- and near the low end of that range assuming that the tax cut is postponed to January 1, 1979.

8:00 AM

THE WHITE HOUSE

WASHINGTON

May 15, 1978

BIPARTISAN CONGRESSIONAL LEADERSHIP BREAKFAST

Tuesday, May 16, 1978

8:00 a.m.

State Dining Room

From: Frank Moore *fmm/pd*

I. PARTICIPANTS

See Attached List

II. PRESS PLAN

White House Photo Only

III. AGENDA

1. You should point out that during the first 15 months of your Administration, you placed a very strong emphasis on stimulating the economy and reducing unemployment in order to create jobs. The figures have been encouraging showing a steady and regular decrease in unemployment. You should stress that it is essential that we now place this same emphasis on keeping the lid on inflation so that we do not undo what strides we have made.

2. Your inflation program consists of the following:

a. Regulatory Reform: This proposal passed the Senate with less than a dozen dissenting votes and was reported by the House committee by a vote of 36 - 4. In both Chambers, you received broad bipartisan support. You should ask the leadership, both Republican and Democratic, to give you their continued support. Both the Speaker and Jim Wright have been very lukewarm on this issue -- you need to get their active support.

b. Hospital Cost Containment: This proposal is scheduled to be voted upon by the House Commerce Committee on Wednesday, May 24. You have been getting some bipartisan support in Committee but need to stress the importance of this legislation to your total inflation-fighting program.

c. Impact Aid: You should stress with the leadership your concern over Impact Aid add-ons and ask for their help in getting them rolled back. These add-ons are

inflationary and inconsistent with your total program.

3. Budget: The conferees reached agreement today on the first budget targets for this year. The Resolution contains a deficit of \$50.9 Billion. The conferees have taken a tough stand on reducing tax cuts and reducing the deficit. Their actions serve to underscore the fact that inflation is the number one problem we face today. You should stress that it is critical that both Republicans and Democrats get together and support the conference committee's actions.

Secretary Blumenthal, Jim McIntyre and Charles Schultze will attend tomorrow's breakfast and could comment further on any of the above.

4. Foreign Policy: There is a great deal of concern on the Hill that we are not being tough enough on the Cubans for their activities in Africa. The Republicans are sure to bring this up and I have asked Dr. Brzezinski to be prepared to give an overview of your foreign policy in Africa.

5. Civil Service Reform: Your proposals to reform and reorganize the civil service system have enjoyed broad support from Republicans and Democrats alike; it is a good bipartisan issue.

The Senate Governmental Affairs Committee begins its mark-up on May 18 (Thursday). On Monday, May 22, the House Post Office and Civil Service Committee begins marking-up its version. On Tuesday, May 23, you intend to transmit the reorganization plan.

Once again, it is important that the leadership understand that civil service reform enjoys a position of high priority on your '78 agenda and that their help with the relevant committees will be appreciated. Sen. Cranston has some concerns regarding modification of veterans preference and may raise them with you. We are working on setting up a meeting with you, Cranston and Chairman Campbell to discuss this issue in detail.

Note: The Speaker never leaves a bipartisan breakfast happy. He does not believe that they should ever be bipartisan. You should be aware of this in terms of how you relate to him in the presence of and along with Republican leaders.

PARTICIPANTS

The President

The Vice President

Senator Byrd
Senator Cranston
Senator Muskie
Senator Baker
Senator Stevens
Senator Hansen
Senator Curtis
Senator Tower
Speaker O'Neill
Cong. Brademas
Cong. Wright
Cong. Foley
Cong. Rostenkowski
Cong. Chisholm
Cong. Rhodes
Cong. Michel
Cong. Anderson

Secretary Blumenthal
Ambassador Strauss
Charles Schultze
Jim McIntyre
Zbig Brzezinski
Stu Eizenstat
Jody Powell
Frank Moore
Bill Cable
Valerie Pinson
Dan Tate
Bob Thomson
Bill Smith

6/15/98

4:30 PM

THE WHITE HOUSE
WASHINGTON

FOR THE PRESIDENT AND MRS. CARTER

FROM GRETCHEN POSTON

DATE: 15 May 1978

SUBJECT: RECEPTION FOR ARMENIAN-AMERICANS

Please find attached the scenario and related papers concerning the function indicated above.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

FOR THE PRESIDENT AND MRS. CARTER

FROM GRETCHEN POSTON

DATE: 12 May 1978

SUBJECT: RECEPTION FOR ARMENIAN-AMERICANS
4:00-5:00 P.M. East Room

SCENARIO

4:00 P.M. Guests arrive via Southwest Gate, to Diplomatic Entrance,
and proceed to East Room.

(Refreshments served at south wall.)

4:30 P.M. The PRESIDENT and MRS. CARTER arrive State floor and proceed
to East Room for the PRESIDENT'S remarks.

Following remarks, performance of one song by Metropolitan
Opera member, Ms. Lili Chookasian.

The PRESIDENT and MRS. CARTER depart East Room for Blue Room
and receiving line.

(Ms. Chookasian resumes program in East Room.)

4:45 P.M. The PRESIDENT and MRS. CARTER depart State floor.

5:00 P.M. All guests depart Residence via Diplomatic Reception Room.

(Buses on South grounds.)

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

May 13, 1978

MEMORANDUM TO MRS. CARTER

FROM: GRETCHEN POSTON

SUBJECT: Armenian Reception - Tuesday, 16 May 78
4:00-5:00 p.m. - East Room

The Armenians were one of the first ethnic groups to come out in support of Jimmy Carter for President. The individuals attending the reception were strong supporters and contributors to the campaign, and are also heavy contributors to the Democratic National Committee. The DNC is paying for the reception, and, FYI, is also hosting a dinner, after the reception, for the same individuals.

Mr. Set Momjian, a Vice President at Ford-Aerospace, whom you have met before, is a member of the DNC Finance Council and is the person chiefly responsible for fund-raising in the Armenian community - and also - for organizing this reception. Others attending who are of special interest are:

- Mr. Alex Manoogian, Chairman of the Board of Masco Corp. (a Fortune 500 company) and his son Richard, President of the company. Mr. Manoogian gave 12 million dollars to charity last year and is giving two paintings to the White House Historical Association. One painting is by N. C. Wyeth.
- Mr. and Mrs. Henry Morgenthau. Mr. Morgenthau's father was the American Ambassador to Armenia during World War I. The Morgenthau's are very close to the Armenians.
- Mr. Ed Mardigan, President of Hercules Corp. in Detroit. Mr. Mardigan is head of the Armenian General Benevolence Union. The President met with the President's Club of the Armenian General Benevolence Union in December in the Oval Office.

The Armenians presented a gift of 21 tapestries depicting historical American events on the occasion of America's bicentennial.

Lilli Chookasian, an Armenian, will perform. She sang at the Schmidt dinner

4:30 PM

MEMORANDUM

THE WHITE HOUSE
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DATE: 12 May 1978

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4:00-5:00 P.M. East Room

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Lilli Chookasian, an Armenian, will perform. She sang at the Schmidt dinner

TALKING POINTS

THE WHITE HOUSE

WASHINGTON

May 15, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JIM FALLOWS, ^{Jic} RICK HERTZBERG ^{Rick}

SUBJECT: Reception for Armenian-Americans

1. BACKGROUND.

This group of mostly wealthy Armenian-Americans has been assembled by Set Momjian on behalf of the DNC Finance Council. The purpose of the reception is twofold:

- To thank the group for their support of the Democratic Party and of you personally; and
- To give recognition to the contribution of Armenians to American life.

You met many of these people last December, when leaders of the AGBU (Armenian General Benevolent Union, the UJA of Armenians) visited you in the Roosevelt Room.

2. PEOPLE.

Four people in particular should be acknowledged:

- Set Momjian, a businessman (he is with Ford Aerospace) who put together this event and who was an early and ardent supporter of yours. He has also been of help in supporting Administration policies. You first met him at a picnic in Plains after the convention, and he gave you a model of the Liberty Bell.
- Alex and Richard Manoogian, father and son, board chairman and president, respectively, of Masco Corporation. They are prominent in philanthropic work and have just given the White House Historical Association two paintings, one by N.C. Wyeth and one by Ernest Lawson. The paintings will be on display during the reception.
- You might also mention in passing Ed Mardigian, president of the Hercules Corporation, who is the head of the Armenian General Benevolent Union.

3. TALKING POINTS.

We consulted with Michael J. Arlen, author of Passage to Ararat, the definitive book on Armenian-American identity, and these points incorporate his suggestions:

-- The Armenians are a very ancient people who have suffered greatly throughout their history. For more than 2500 years -- through repeated conquests, dispersions, and invasions -- they have preserved their cultural identity. The people in this room are carrying on this tradition.

-- One of the greatest crimes in history was the annihilation of half of all the Armenian people by the Turks in 1915-1916. The only things that can compare with it in this century are the purges under Stalin in the Soviet Union and the Nazi Holocaust. Yet this terrible event has never been fully recognized. There were no Nuremburg trials, no memorials, no war crimes trials to remind the world of what happened. You might say that you hope this meeting will lead to a greater recognition among Americans of this aspect of the history of the Armenian people. (Arlen thinks that this is the most important point you can make.)

-- The Armenians are old-fashioned, hard-working, beautiful people. They are oriented strongly toward church and family. The Armenian church was the first Christian church in the world, and Armenia was the first nation to adopt Christianity as its religion.

-- President Woodrow Wilson championed the cause of an independent Armenia. That was not to be. But the Armenians who came to America and their families have become among the most useful and patriotic of all American citizens. Of the some one million Armenian-Americans, an unusually high proportion are outstanding figures in education, industry, the arts, business, and government. While retaining their own cultural traditions, they have made a significant contribution to American life.

(more)

4. INTRODUCTION OF SINGER.

Following your remarks, you are supposed to introduce Lili Chookasian, who will sing for the assembled company. She is a mezzo soprano who has sung with the Metropolitan Opera and with opera companies around the world, and sang at the White House last July at the Schmidt state dinner.

THE WHITE HOUSE
WASHINGTON

May 16, 1978

Midge Costanza

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jim Gammill

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

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	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

THE WHITE HOUSE

WASHINGTON

May 16, 1978

gh
J

MEMORANDUM TO: THE PRESIDENT

FROM: MARGARET COSTANZA *mc*

Attached you will find a list of the persons who will serve on the National Advisory Committee for Women. Each has been called in your name and all have accepted.

Bella Abzug from New York and Carmen Votaw of Maryland have agreed to serve as Co-Chairpersons.

In addition, Judy Carter has agreed to serve as Honorary Chairperson. The First Lady and I have discussed the suggestion that Judy serve in this capacity and she agrees.

A copy of this list has been sent to the First Lady.

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Amalgamated Meat Cutters Union, International Vice President and
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Coalition of Labor Union Women; Commissioner, National Commission

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

June 8, 1978

FROM:

MARGARET COSTANZA *MC*

Members, National Advisory Committee for Women

CORRECTED COPY

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

May 16, 1978

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FROM: MARGARET COSTANZA *mc*

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THE WHITE HOUSE
WASHINGTON

May 16, 1978

Frank Moore

The attached was returned in the President's
outbox and is forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Stu Eizenstat
Jack Watson
Jim McIntyre

SENATE HEARINGS ON WED - DOE

	FOR STAFFING
	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

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	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
<input checked="" type="checkbox"/>	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
<input checked="" type="checkbox"/>	MOORE
	POWELL
<input checked="" type="checkbox"/>	WATSON
	WEXLER
	BRZEZINSKI
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	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
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	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
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	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

THE WHITE HOUSE

WASHINGTON

May 15, 1978

*Call H. B. Coff
Joe → statement
Hale. Testify*

C

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE *J.M./ad*
LES FRANCIS *Les Francis*

SUBJECT:

Senate Hearings on Wednesday regarding
Department of Education - Possible Appearance
by Secretary Califano

The Senate Governmental Affairs Committee is about to conclude its hearings on the proposed Cabinet-level Department of Education.

The Committee has invited Secretary Califano and Jim McIntyre to testify on Wednesday, May 17 (Jim has been asked to outline the internal structure of the new Department).

Secretary Califano and HEW's CL office believe that an appearance by the Secretary would be unwise; it is their conviction that Mr. Califano's earlier objections to a separate Department, which he has articulated in articles and books, will be used by the Republicans to embarrass the Secretary and the Administration.

It is McIntyre's opinion that Mr. Califano's absence would be just as embarrassing, that our political opponents will make at least as much capital out of a non-appearance as they would should he testify. In addition, if he does not appear, it might send an erroneous signal to our allies on this issue that we are not totally committed to the proposition.

Stu Eizenstat shares Secretary Califano's concerns and therefore suggests that he not testify.

We are inclined to agree with McIntyre on this, but it is a close call.

Stu has suggested that a possible compromise might be to have either Hale Champion or Ernest Boyer testify, but we are not sure this would be acceptable to the Committee.

In any case, we need your direction on this.

ID 782540

THE WHITE HOUSE
WASHINGTON

5/159

DATE: 15 MAY 78

FOR ACTION:

OFFICE OF
MANAGEMENT & BUDGET

78 MAY 16 9:16

RECEIVED

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

JIM MCINTYRE

SUBJECT: MOORE MEMO RE SENATE HEARINGS ON WEDNESDAY REGARDING
DEPARTMENT OF EDUCATION - POSSIBLE APPEARANCE BY
SECRETARY CALIFANO

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: +
+++++

ACTION REQUESTED:

STAFF RESPONSE: ☒ I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW: